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UNITED STATES NATIONAL INTERESTS
IN THE REPUBLIC OF KOREA

by

Steven K. Sudderth

June 1986

Thesis Advisor: Claude A. Buss

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This thesis analyzes the evolution of United States political, economic, and strategic interests in the Republic of Korea. A discussion on what is the "national interest" and a framework to discuss those interests is provided. United States political interests are discussed by examining the highlights of Korean politics following the Second World War with a focus on current political topics. United States economic interests are viewed in light of the economic progress South Korea has made following the Korean war and potential promise for the future. In discussing the strategic interests of the United States, a regional assessment of the balance of power is made. Special emphasis is placed on current strategic issues. This thesis concludes: 1) The United States has a vital strategic interest in peace and stability on the Korean peninsula which warrants continued security assistance to the ROK and maintenance of U.S. military forces on the peninsula. 2) The United States has a major economic interest in the ROK with

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United States National Interests In the Republic of Korea

by

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Submitted in partial fulfillment of the
requirements for the degree of

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ABSTRACT

This thesis analyzes the evolution of United States political, economic, and strategic interests in the Republic of Korea. A discussion on what is the "national interest" and a framework to discuss those interests is provided. United States political interests are discussed by examining the highlights of Korean politics following the Second World War with a focus on current political topics. United States economic interests are viewed in light of the economic progress South Korea has made following the Korean war and potential promise for the future. In discussing the strategic interests of the United States, a regional assessment of the balance of power is made. Special emphasis is placed on current strategic issues. This thesis concludes: 1) The United States has a vital strategic interest in peace and stability on the Korean peninsula which warrants continued security assistance to the ROK and maintenance of U.S. military forces on the peninsula, 2) The United States has a major economic interest in the ROK with growing trade between the two countries and significant U.S. business investments in South Korea, and 3) The United States has a major political interest in continued North-South dialogue as well as a peripheral interest in constitutional reform and human rights in the ROK.

TABLE OF CONTENTS

I. INTRODUCTION 7

A. THE NATIONAL INTEREST 9

II. EARLY AMERICAN INTERESTS AND POLICIES. 13

III. UNITED STATES POLITICAL INTERESTS 19

A. HISTORICAL LOOK AT KOREAN POLITICS 19

B. CURRENT POLITICAL ISSUES 27

1. North-South Dialogue 27

2. Constitutional Amendment 31

3. Human Rights 34

IV. UNITED STATES ECONOMIC INTERESTS 40

A. HISTORICAL LOOK AT THE KOREAN ECONOMY 40

B. FUTURE PROSPECTS 54

C. CURRENT ECONOMIC ISSUES 58

1. Energy 58

2. Trade and Business Ventures 58

3. Protectionism 59

V. UNITED STATES STRATEGIC INTERESTS 64

A. REGIONAL BALANCE OF POWER 65

1. Soviet Union. 65

2. Peoples Republic of China. 68

3. Japan 70

4. United States. 73

5. Democratic Peoples Republic of Korea. 74
6. Republic of Korea 77
B. CURRENT STRATEGIC ISSUES 80
1. Security Assistance 80
2. Troop Withdrawal 91
VI. CONCLUSION 97
APPENDIX A: UNITED STATES TRADE IN THE PACIFIC BASIN 101
APPENDIX B: UNITED STATES TRADE WITH JAPAN AND EAST ASIAN NIC'S. 102
APPENDIX C: KOREAN TRADE WITH THE UNITED STATES 103
APPENDIX D: NAVAL FORCES OF SELECTED ASIAN NATIONS. 104
APPENDIX E: GROUND FORCES OF SELECTED ASIAN NATIONS 106
APPENDIX F: AIR FORCES OF SELECTED ASIAN NATIONS 107
APPENDIX G: LOCATION OF U.S. AND SOVIET FORCES IN EAST ASIA . . . 108
APPENDIX H: SECURITY ASSISTANCE TO THE REPUBLIC OF KOREA . . . 109
END NOTES 110
BIBLIOGRAPHY 121
INITIAL DISTRIBUTION LIST. 129

I. INTRODUCTION

Immediately after World War II, the major focus of American political, economic, and strategic interests lie in Western Europe. Under the Marshall plan, the United States began pumping billions of dollars of economic aid into that region to prevent continued expansion of Soviet influence. Even as late as 1979, Richard H. Soloman of the RAND Corporation observed that the Asian region has taken a third or fourth place in a set of foreign policy priorites now focused on European security issues, the strategic balance, and the Middle East.[1] However, that focus has begun to change. That change is exemplified by this statement by Admiral Robert Long, the former CINCPAC:[2]

> "No worldwide strategy for peace and stability can be effective if it fails to account properly for the importance of the Asia/Pacific theater, not just from a military standpoint, but from an economic and political standpoint as well."

This change can be further evidenced in remarks by Secretary of State George Schultz. He stated in an address to the World Affairs Council of Northern California that "if one wants to understand the world, one must understand the Pacific Region" and that "as important as the region is today, it will be more important tomorrow."[3]

The purpose of this thesis is to examine United States national interests in the Repulic of Korea (ROK), first is a historical light and then as it has manifested itself in current United States policy. However, before any meaningful analysis of United States national interest in the Republic of

Korea, or for that matter in any country, it is imperative that one grasps the meaning of the term, "national interest". Therefore, in this chapter, I examine what is meant by the "national interest" and introduce a framework by which we can discuss the political, economic, and strategic interests of the United States. In chapter two, I discuss early American interests and policies on the Korean peninsula. Chapter three explores Korean politics historically, beginning with the aftermath of the Second World War. It details major political issues important to United States interests. These include talks between North and South Korea, the movement for a constitutional amendment for direct election of the president, and the issue of human rights. Chapter four examines the economic interest of the United States in the ROK. Following a historical look at the South Korean economy and how South Korean companies are faring today, the future prospects of the ROK economy and how the United States figures into that future are described. Chapter five examines the strategic interest of the United States in the region focusing first on the regional balance of power. Discussion centers on the objectives of the major powers in the region and how those objectives are being pursued. Then I examine the critical policy areas of security assistance to the Korean peninsula and the maintenance of U.S. military forces there. Chapter six attempts to tie together United States political, economic, and strategic interests in the ROK and how they are viewed in a global perspective. Furthermore, chapter six offers proposed Asian policies for U.S. decision makers.

This thesis concludes that the United States has vital national interests in the peace and stability in the Republic of Korea and that the United States

should continue a close and improving relationship with the South Korean government. With this relationship, the United States would hope to

--Counter the expanding Soviet influence in East Asia

--Lessen the possibility of conflict in the region by equalizing the balance of power between North and South Korea.

--Benefit from increased trade between the two countries.

A. THE NATIONAL INTEREST

The "national interest" is a very elusive concept and is extremely difficult to operationalize into definitive policies for United States' decision-makers. Hans Morgenthau stated that United States national interests were "the goal of developing and maintaining the United States as a predominant power in the western hemisphere, preventing conditions in Europe which would allow European nations to interfere in the western hemisphere, and maintaining a balance of power in Asia."[4] William P. Bundy, claimed U.S. national interests were the "physical security of the United States, an international environment in which the United States can survive and prosper, and that the United States should by example and/or action influence the spread of representative government in the world."[5]

These theorists differ considerably. Morgenthau tend to focus on the physical security and economic well-being as U.S. national interests which can easily be operationalized in terms of a stronger military and increased economic production and protection. Bundy, on the other hand, tends to suggest that there is much more. I concur. American national interests include the defense and world-wide promotion a deep-rooted value system

that has become an intrinsic part of our American heritage. James Billington describes these values as "God and liberty: the belief in an objective moral order within a created universe on the one hand, and in the subjective right individual choice and fulfillment on the other."[6] Billington believes the dynamic conflict between these two beliefs combine to create a pluralistic democracy that believes in a higher authority yet diffuses power and tolerates diversity. However, it is this pluralistic democracy itself that poses a major impediment to the formulation of coherent foreign policy. A pluralistic democracy, unlike that of totalitarian or authoritarian regimes, allow a national debate among all the diverse interest groups as to what constitutes its national interest. This debate is a long, slow, arduous process. Moreover, a national concensus of what are the near-term or instrumental goals for the United States is a near impossible task. In the midst of this debate, elected officials of the United States, supported by their constituency, put together policy which they feel best serves our national interest. Without fail, some policies will be short-sighted and will serve only to further fuel the national debate. Nevertheless, pluralistic debate is the best conduit for the will of the people. Though a debate rages on what constitutes instrumental goals, our terminal goals of "life, liberty, and the pursuit of happiness" are never questioned. A pluralistic democracy puts meaning in those words.

One of the most promising efforts at an operational definition of United States national interests was made by Donald Nuechterlein. I will use his framework to examine United States national interests in the Republic of Korea. Nuechterlein states the national interest is the "perceived needs and

desires of one soverign state in relation to the sovereign states comprising the external enviornment.[7] He breaks the national interest into four categories:[8]

(1) defense interests: the protection of a nation-state and its citizens against the threat of physical violence.

(2) economic interests:the enhancement of the nation-state's economic well-being.

(3) world-order interests: the maintenance of an international political and economic system in which the nation-state can feel secure and in which its citizens and commerce may operate peacefully outside its borders.

(4) ideological interests: the protection and furtherance of a set of values that the citizens of a nation-state share and believe to be universally good.

Nuechterlein further explains the different intensities of these interests which determine the action a nation-state is willing to take to defend and protect these interests.[9] When the very existence of a nation-state is in jeopardy, then these interests are considered *survival* issues. Any degree of a nation-states's national power can be utilized to defend *survival* interests. When a interest is not as citical, but serious harm will likely result to the nation-state unless action is taken, these interests are considered *vital.* Conventional military action is often the result of protecting *vital* interests. *Major* interests are those interests than may adversely affect the political, economic, or ideological well-being of the nation-state and requires corrective actions. Interests are said to be

peripheral when the nation-states's well-being in not adversely affected but individual interests within that nation-state might be endangered.

Survival interests are easily distinquished but defining what constitutes a *vital, major,* or *peripheral* interest is not so easy. Nuechterlein lists a number of factors that play a role in our estimation of the threat. Proximity is of major importance. The closer the threat is to our borders, the higher the degree of interest. Activities in Cuba seem to be a more serious threat that the same action in East Germany. The economic stake we have in an issue is a factor. A threat to trade with the Republic of Korea may be seen as *major* whereas a threat to trade with Libya may be only of *peripheral* interest. The type of government surrounding the issue is important. If the threat is from a Marxist-Leninist regime, it is deemed more critical that if the threat is from democratic powers. If the strategic balance of power could be altered over the issue, it becomes *vital.* The greater the potential the issue has of affecting world opinion, particularly that of our allies, the higher its intensity. When determining the intensity of interests, according to Nuechterlein, we must recognize the costs involved with protecting those interests. Economic sanctions adversely affects United States business interests. Military invention could result in casaulties and a protraction or escalation of the conflict. Even if we feel military intervention is warranted, confidence that such an intervention will bring about the desired result, affects the value we place on the interest. Before declaring a interest *vital,* and thus a willingness to use military forces to protect that interest, we should consider whether our allies are behind us or even more important, the U.S. Congress and the American people.

II. EARLY AMERICAN INTERESTS AND POLICIES IN KOREA

In 1845, a resolution was introduced in Congress by Zadoc Pratt of New York to extend American commerce by sending a mission to Japan and Korea. War with Mexico seemingly apparent, however, the resolution failed. After the opening of Japan in 1854, commerce between Chinese and Japanese ports made the navigation of Korean waters a necessity. On 24 June 1866, Captain McCaslin and surviving shipmates aboard the shipwrecked *Surprise*, who had been treated well by the Koreans, were delivered to the U.S. consul in Newchwang, China. In July 1866, the *General Sherman* sailed from Chefoo, China to Korea on a supposed trading mission. But its excess of armament supports a claim that the crew intended to rifle the tombs of Korean kings at Pyongyang in search for gold. After two days of sailing up the Ta Tong River, the *General Sherman* was never heard from again. In January 1867, Captain Shufeldt was sent from the Asiatic squadron upon the *U.S.S. Wachusetts* to inquire about the *General Sherman*. He was told that the crew of the *General Sherman* was mistaken for pirates and killed. Commander Febiger on the *U.S.S. Shenandoah* went to Korea in May 1867 to make further inquiries but learned nothing more than Shufeldt. That same month, two ships which had on board a German-American named Ernst J. Oppert and F.B. Jenkins, a former American interpreter at the U.S. Consulate in Shanghai, went to Korea to steal the bones of a ex-king and hold them for ransom . They failed. In the summer of 1868, the Secretary of State William H. Seward approached the

French, who were also having problems in Korea with the persecution of their Catholics, for a joint punitive mission. France refused. In May 1871, the Minister to China, Frederick F. Low and the Commander-in-Chief of the Asiatic Squadron, Admiral John Rogers, sailed to Korea under the orders of Secretary of State Hamilton Fish to open Korea for trade and secure a treaty for protection of shipwrecked sailors. The Low-Rodgers expedition of six ships, carrying eighty-five guns and 1230 men, met fierce Korean resistance on the island of Kanghwa, near the mouth of the Han river. Their only result was the destruction of five Korean forts and 350 Korean soldiers killed.[10]

After Japan negotiated the Treaty of Kangwa with Korea in 1876, America became that much more anxious to establish trade relations with the peninsula. In 1878, the Secretary of State, then William Evarts, ordered Shufeldt, Commodore and commander of the *U.S.S. Ticonderoga*, back to Korea. Shufeldt, motivated at least in part by his desire for personal fame and glory for opening Korea, sought in 1880, the good offices of the Japanese to help. This effort failed. Instead Shufeldt negotiated a treaty with Korea through the Chinese viceroy, Li Hung-chang, which was acceptable to all parties. The motives of Li Hung-Chang were two-fold. First, he wanted to enlist American assistance in checking the Japanese and Russian influence on the peninsula.. Second, Li wanted to make clear the control China had over the Korean kingdom.[11] The Treaty of Amity and Commerce, signed by King Kojong on May 22, 1882, provided for the exchange of diplomats, protection of shipwrecked sailors and U.S. citizens, extraterritoriality, and a most-favored nation clause for trade. Tyler Dennet claims that the opening of Korea in 1882 was "by far the most important action undertaken by the United

States in Asia until the occupation of the Philippines."[12] The 1882 treaty stated that "if another power deals unjustly or oppressively with either Government, the other will exert their good offices, on being informed of the case, to bring an amicable arrangement."[13] This clause was to be a future bone of contention between the two states when Japan began to "deal unjustly" with Korea within just few short years.

The early American diplomats, led by the first American minister, Lucius Foote, kept a good rapport with the Korean court. Dr. Horace Allen served not only as the Charge d'Affaires and Minister Penipotentiary but also as the personal physician to the King and Queen.[14] American missionaries, the first being Horace G. Underwood and Henry G. Appenzeller, arrived in 1885. They took the evangelical mission very seriously. They pressed for modern education, medicine, and journalism in Korea. They later led the charge for the freedom and independence of the Korean people.

American businessmen prospered in Korea with help given by Dr. Allen, who was not above accepting a bribe for his services. By 1895, American businessmen were cutting and exporting timber, developing the railroads and mines. and selling military hardware to the Korean government. Gold mining was of particular interest. American business added immensely to the well-being of the Korean people. Americans constructed the first railway, trolley, lighting plant, public water supply, telephone, and office building. American competition with the Japanese was fierce. The Japanese did not always play fairly. They used their influence in the Korean court to acquire monopolies and often sold products under fake American trade marks. The average annual trade between Korea and the United States, for the first thiry years, only

amounted to just a little over $200,000 which was less than one-hundredth of one percent of the American total trade. Desiring to remain neutral and a non-interventionist party in the affairs of Korea, Seceretary of State Thomas F. Bayard gave the following instructions to Charge d'Affair Foulk in 1885:[15]

> "Seoul is center of conflicting and almost hostile intrigues involving the interests of China, Japan, Russian, and England... it is clearly the interest of the United States to hold aloof from all this and do nothing nor be drawn into anything which looks like taking sides with any of the contestants or entering the lists of intrigue for our own benefit."

As war between Japan and China over rights in Korea loomed on the horizon in 1894, the Department of State warned the American legation in Korea,[16]

> "taking any action towards strengthening the authority of the king or otherwise taking part in matters which do not immediately concern the interest of the United States, might be open to serious objection on account of our consistent policy, which we carry out in Asia as well as Europe and elsewhere, of abstaining from cooperating with other powers in any intervention of whatever nature."

Despite this warning, Dr. Allen used the American legation to shelter escapees from the Korean court. He was officially reprimanded with the reminder that "intervention in the political concerns of Korea is not among your functions and is forbidden."[17]

With the United States feeling that its national interest was more in line with the appeasement of Japan rather than Korean independence, the Korean court turned to the Russians for help. King Kojong and the crown

Prince escaped to the Russian legation on 11 February 1896 where they stayed for over a year. Russians took the place of Americans advisors in the government. By 1903, after formally allying themselves with the British to keep out third parties in the conflict, the Japanese felt strong enough to challenge the Russians. War began between the two countries on 8 May 1904. The Japanese were victorious. The Treaty of Portsmouth, ending the hositilites was mediated by President Theodore Roosevelt.

Continuing to feel Japan was more in our national interest than Korea, the Taft-Katsura agreement was signed on 29 July 1905. This agreement gave American recognition of Japan's hegemony over Korea in return for a promise from Japan not to interfere in the American-held Philippines. On 17 November 1905, Japan made Korea a protectorate. U.S. Secretary of State, Elihu Root, closed the American Legation in Seoul and began handling Korean affairs through the legation in Tokyo. Japan tightened the collar around Korea politically and economically and formally annexed her on 22 August 1910.

Lawrence Battistini said this of the first three decades of U.S.-Korean relations,[18]

> "The United States had no clearly defined policy or program with which to confront the rivalries of powers in Korea other than the somewhat nebulous tradition of favoring the development of strong and independent states everywhere in the Orient."

In short, the United States had a strict policy of neutrality and absolute non-intervention. It is safe to say that up until the outbreak of hostilities of the Japanese against the Chinese at the start of the Second World War,

maintainance of the Open Door Policy and the protection of American nationals, mostly missionaries and businessmen, were the only interests of United States in Korea.

III. UNITED STATES POLITICAL INTERESTS

A. HISTORICAL LOOK AT KOREAN POLITICS

At the Cairo Conference In November 1943, Roosevelt, Churchill, and Chiang Kai-shek stated, "Mindful of the enslavement of the Korean people, the aforementioned Great Powers are determined that Korea shall, in due course, be free and independent."[19] Soviet leader Josef Stalin concurred at the Potsdam conference in July 1945. The Soviets also agreed to enter the war in the Pacific to defeat the Japanese Kwantung Army in Manchuria at the request of President Roosevelt in Yalta in February 1945. However, they did not declare war on Japan until 8 August. Furthermore, it became obvious that Manchuria was not their only objective. Taking advantage of the fact that the United States army was no nearer than Okinawa, the Soviets marched into Korea, on 12 August, two days before the Japanese surrender.

Fearful that the Soviets would dominate the entire peninsula, the United States proposed that the Soviets accept the surrender of the Japanese troops in Korea north of the 38th parallel. The Soviets agreed and General Order No. 1, effecting the partition, was issued to MacArthur on 13 August 1945. This action set the stage for one of the largest military build-ups and most hostile environments on the globe.

Americans troops did not arrive on the peninsula until 8 September 1945. Two days earlier, the Koreans had proclaimed the "Korean People's Republic" headed by Yo Un-hyong. However, the U.S. occupying forces did not recognize it as a government and forced its dissolution. Initially, the United States had Japanese officials remain and continue to run the government temporarily,

but the tremendous uproar from the Korean people this created forced the U.S. abondon this idea and implement a military government under Lieutenant General John Hodge. In December 1945, the USSR, Great Britain, and the United States agreed than a provisional government in the form of a trusteeship would be set up to govern the entire peninsula. This trusteeship, which was also to include China, infuriated the Koreans who sought to be "free and independent" as promised and felt that "in due course" had arrived. The trusteeship a failure, a joint US-USSR commission was set up to establish an independent government, but the Soviets insisting that individuals opposing the trusteeship should not be allowed in the political process, created an impasse. The United States appealed to the United Nations to resolve the problem. They called for nationwide elections but the North, under Soviet domination, refused. Instead individual elections took place. On 10 May 1948, South Koreans elected a National Assembly which adopted a constitution and elected Syngman Rhee as President of the Republic of Korea. On 25 August, the North elected a Supreme People's Council. They adopted a constitution and proclaimed the Democratic People's Republic of Korea (DPRK) under Kim Il-Sung.

Not content with a divided Korea, the DPRK launched an invasion across the 38th parallel on 25 June 1950. Kim Il-Sung made two erroneous assumptions. First, he felt that the populace in the South would rise up and greet him as a liberator and second, that the U.S. would not come to the military aid of the South. The latter belief was in part due to recent speeches, particularly by Secretary of State Dean Acheson, that Korea was outside the American defense perimeter in Asia that ran from the Aleutians

through Japan and the Ryukus to the Philipinnes.[20] The United States, which by now had drawn down its armed forces on the peninsula to only a military advisory group, appealed to the United Nations. On 7 July1950, a UN Security Council resolution established a military command composing of armed forces from sixteen nations under the direction United States. The counter-attack, by the UN forces under the command of General Douglas MacArthur, beginning with the Inchon landing on 15 September 1950, was very successsful, recapturing Seoul on 25 September. UN forces crossed the 38th parallel on 9 October. However, an event happed on 15 October which changed the outcome of the war. Chinese regulars crossed the Yalu River and engaged in combat to assist its North Korean ally. Seoul was again retaken by the Communists on 4 January 1951. By 15 March, Seoul again under UN control, a cease-fire was declared and peace negotiations began. An armistice was signed on 27 July 1953. It established a demilitarized zone (DMZ) at the 38th parallel and established the Military Armistice Commission (MAC) to supervise the armistice and settle, through regulations, any disputes. The Neutral Nations Supervisory Commission (NNSC) composed of the nations of Sweden, Switzerland, Poland, and Czechoslovakia was also established to carry out supervision, observation, and any inspection or investigation of violations of the armistice.

However, a peace treaty has never been signed and the armistice, which has never been signed by the Republic ofKorea, has been quite shaky. One ROK report in 1983 stated that, "Thirty years after signatures were affixed to the agreement at Panmunjon, the armistice in Korea remains far from secure and dependable. Though the shooting conflict ceased in a large measure, the

truce document is virtually in tatters because of frequent violations by Communist North Korea. Such an unstable state of the Korean armistice continues to threaten peace and security in this part of the world." It further reported that North Korea "has committed 76, 274 military provocations in violation of the armistice agreement over the last 30 years..."[21]

The political succession in the Republic of Korea has been rather turbulent. In April 1960, following massive student demonstrations, President Rhee stepped down in favor of Chang Myun who tried to implement democratic reforms. However, on 16 May1961, supported by his wife's nephew, Lt. Col. Kim Jong Pil, General Park Chung Hee staged a successful military coup. Park devoted himself to strengthening the military and the nation's economy. By the late 1960s , military men permeated the National Assembly, filling one-fifth to one-half of the cabinet posts, and heading three-quarters of the large, publically financed industrial complexes.[22] In 1963, after resigning from the military, Park was elected President. Heading the Democratic Republican Party (DRP) that he created, Park was relected in 1967 and again in 1971. His opposition, however, the New Democratic Party (NDP) managed to win in 1971, one-third of the seats in the National Assembly.

In 1971, Park declared a state of emergency due to political and social unrest. Students were rioting on seven campuses in Seoul and one in Kwangju. On 17 October 1972, he declared martial law at which time Park dissolved the National Assembly, banned all political activity, closed the nation's universities for six weeks, and took control of the media. He instituted the much hated *Yushin* Constitution which established the

National Conference for Unification to elect the President to a six year rather than the current four year term. In addition, one-third of the National Assembly was to be named by this National Conference for Unification on recommendation from the President. This group, the *Yupong Hoe*, or Revitalizing Reforms Political Association, severely limited the power and credibility of the National Assembly.

Former President Yun Po Sun, opposition leaders Kim Yang Sam and Kim Dae Jung and twelve others signed the Declaration for the Democratic Salvation of the Nation which they read in the Myongdong Cathedral on March 1, 1976. This declaration called for restoration of democracy, a more active effort for peaceful reunification, and an economic policy that would make South Korea more independent of foreigners. Supporters of this declaration were arrested and jailed.

Kim Young Sam became the outspoken leader of the New Democratic Party (NDP) following President Park's narrow re-election in 1978. On 4 October 1979, the National Assemby voted to expel Kim Young Sam from the National Assembly. In protest, all the NDP members of the Assembly resigned. Demonstrations spread through the country.

On 26 October1979, fearful of a bloody civil war, Kim Jae Kyu, the head of the KCIA, assassinated President Park. The Prime Minister, Choi Kyu Hah, assumed the Presidency. Hoping to calm the populace, he abolished many of the hated emergency decrees and released hundreds of political prisoners. Censorship was eased. A new constitution was promised by the end of 1980 and elections by 1981.

In December, General Chun Doo Hwan, the newly appointed commander of the Defense Security Force began to assert himself. Thirty senior generals, including General Chung Seung Hwa, the Chief of Staff of the Korean armed forces, were relieved of command. General Chung was arrested for negligent duty during the Park assassination.

The spring, however, brought more unrest. Massive demonstrations were held in Seoul on 15 May 1980 which was followed two days later by angry mobs in Kwangju. After ten days, General Chun Doo Hwan sent troops to Kwangju who quelled the riots, but not without a bloody confrontation. Estimates of dead range from 400 to 2000. Kim Dae Jung and Kim Jong Pil were jailed. The former was sentenced to death for sedition and the latter was forced to pay pay back approximately $36 million out of his own pocket for alleged corruption.

On 31 May 1980, President Choi appointed a Special Committee for National Security Measures, a junta of twenty-four members, of which seventeen were military, to take charge of the government. On 16 August, President Choi resigned. After a brief eleven day stay as President by the Prime Minister Park Choon Hoon, Chun Doo Hwan who had retired from the military five days earlier, was elected temporary President by the National Conference for Unification. Nam Duck Woo was selected as his Prime Minister. The military-dominated Legislative Council for National Security was to serve as the legislature and elections for the President and the National Assembly could be held in 1981. Chun was elected President in 1981. His Democratic Justice Party (DJP), formally the Democratic Republican Party, encountered little opposition.

ROK foreign affairs has been almost as turbulent as its internal politics, but there have been some positive steps taken it its relations with its communist neighors. In early 1971 , President Park announced that he was prepared to have diplomatic relations with the Soviets and the PRC if they ceased hostile actitities and recognize the sovereignty of the Republic of Korea. On 23 June1973, Park declared, "the Republic of Korea will open its door to all nations of the world on the basis of the principle of reprocity and equality. At the same time, we urge those countries whose ideologies and social institutions are different from ours to open their doors likewise to us."[23] This 1973 announcement spurned a Sino-Soviet rivalry to expand their ROK contacts. These contacts have been primarily in humanitarian, athletic, scholarly, and economic exchanges.

In 1973, a South Korean team participated in the Universiad games held in Moscow. Subsequently, many scholars, officials, athletes, and businessmen have visited the Soviet Union. Seoul received TASS representatives in October 1982 to attend the Technical Committee of the Organization of Asia-Pacific New Agencies, the Director of the Art Preeservation Department of the Soviet Ministry of Culture to attend an Asian regional conference on art in that same month, and two Soviet officials in March 1983 to attend a conference on argiculture. The shooting down of the Korean Airline Flight 007 carrying 269 crew and passengers on 1 September 1983, however, put a screeming halt, at least for a time, on the improvment of Soviet-ROK relations.

The Peoples Republic of China seems to be changing their position with a willingness to engage in contacts with the ROK in various athletic,

scientific, and economic issues, and an explict dissociation form the terrorist acts of North Korea. The Republic of Korea received the Director-General of the Chinese Civil Aviation Administration and thirty-two other officials in May 1983 to discuss cooperation in emergency flight situations following a hijacking that brought a Chinese aircraft to Seoul. Subsequently, the ROK was allowed to atend a FAO conference and the International Telecommunications Union conference in Beijing. In March 1985, the Chinese and South Koreans again engaged in a dialogue. This time it was over an incident which involved a Chinese torpedo boat which drifted in the Yellow Sea and was towed to Korea's port of Kunsan. The Chinese entered Korean territorial waters with one of their warships to reclaim the torpedo boat for which they subsequently apologized.

Korean politics cannot be wholly understood without a mention about political parties in the country. President Rhee and President Park both worked against the institutionalizing of political parties. They did not allow any deviation from the accepted line on virtually all important issues. Therefore, political parties have not been able to create a stable following. In addition, personal and regional rivalries are deeply edged into the Korean political system. Factions, often formed on the basis of provincial origin, school ties, or a common experience in the past, place individual interests ahead of that of a group such as a political party. Futhermore, the ruling regimes have often banned opposition leaders from participation in the political process which makes institutionalizing of the political party very difficult. A good example of this factionalization was seen in the first National Assembly election since the establishment of the Chun regime. The

ruling party, the Democratic Justice Party (DJP), received only thiry-six percent of the popular vote. Hoever, the remaining votes were spread over twelve parties. However, in the recent parliamentary election in February 1985, there was an indication that the opposition may be combining forces. In this election, the New Korea Democratic Party (NKDP) elected 67 out of the 184 elective seats. It also absorbed he Democratic Korea Party (DKP) which had picked up thiry-five seats making the total of 102 seats out of the 272 seats or 65 percent of the popular vote.

B. CURRENT POLITICAL ISSUES

1. North-South Dialogue

North-South dialogue has been a long and arduous process. Talks for reunification took place after the Korean War in Geneva, but after failing miserably, they were canceled in the spring of 1954. Not until 1972, prompted by the sudden Sino-American rapproachment, did talks, initiated by Seoul, again take place. These talks had much success. A "hot line" was set up between the two capitals and the Joint North-South Coordination Committee was established. In addition, an agenda for Red Cross talks was also established. This agenda included an ascertainment of the life and death status of separated families, mutual visits, the resuming of mail exchange, and reuniting of relatives. However, President Park's domestic toughnest with the *Yushin* Constitution forced Kim Il-Sung to get tough as well and terminate the talks. Kim renewed his demands that the U.S. withdraw its troops from the South and the dissolution of the United Nations Command before talks could be resumed. However, on the bright side, he also

proposed a reduction of combat troops to 100,000 on each side and the formation of a political consultative conference that would lead to a confederation of the North and South that would leave both political systems in place.

In 1973, President Park declared that he would not be opposed to membership in the United Nations for both the ROK and the DPRK but that he was opposed to the idea of a confederation. Pyongyang rejected the offer.

On August 15, 1974, Park made a speech suggesting a mutual nonaggression pact between the North and the South and the opening of the countries for cultural exchanges. However, this ceremony ended with an assassination attempt on President Park which took the life of his wife.

In 1975, Kim Il-Sung rejected U.S. Secretary of State Henry Kissinger's proposal for "cross-recognition" of the two Koreas by the four major powers in the region. China and the Soviet Union would recognize South Korea and the United States and Japan would recognize North Korea, paving the way for entry of both countries into the United Nations.

In January 1979, President Park announced that he would hold talks with Kim Il-Sung "anywhere, anytime, at any level, to achieve unification and pursue prosperity". In July of 1979, Kim rejected as well a proposal by the U.S. and the ROK for a tripartite conference between the U.S. and the two Koreas despite a nod from Beijing. Kim Il-Sung felt that South Korea, not a party to the armistice, should not be included in the talks concerning armistice or a permanent peace treaty. The United States, however, has refused to talk with North Korea unless South Korea can fully participate. Nevertheless, the two countries did hold some minor talks for two months in

1979. The climate of the talks deteriorated, however, when a new military assessment of the North was made public showing massive military build-ups. Sparked by the assassination of President Park, Pyongyang invited the South Korean Prime Minister to the North for continued dialogue but the talks were unilaterally suspended by Pyongyang when the domestic political situation in the South turned stable.

In October 1980, Kim Il-Sung proposed at the Sixth Workers Party Congress the formation of the "Democratic Confederal Republic of Koryo". However, he demanded the withdrawal of U.S. forces from the South and a "democratic" change in the South Korean government before talks of unification could begin.

ROK President Chun Doo Huan proposed an exchange of visits between himself and Kim immediately after he was inaugurated in March 1981. In January 1982, he called for a constitution under which the two Koreas would be reunited, and proposed that a Council for Unification be established to handle the matter. Kim rejected these proposals and the proposal of exchanging information on separated families through the Red Cross until the U.S. withdrew it troops and there was a change of the present government in Seoul.

In June of 1983, Pyongyang did allow 9000 separated families a reunion with thier families after 33 years. But this turned out to be the calm before the storm. On 1.September 1983, when the Soviet Union shot down Korean Airline, Flight 007, with 269 passengers and crew on board, North Korea never uttered a word of regret or condolence and supported the Soviet contention that the airliner was being used in a spy mission. The next month,

North Korea sponored an event that came very close in engulfing the peninsula in war. This event was the attempted assassination of President Chun in Rangoon, Burma on 9 October1983. Seventeen senior officials in the South Korean government were killed in the bomb explosion. Pyongyang claims that the incident was perpetrated by anti-government South Korean dissidents, but solid evidence points that the act was perpetrated by North Korean commandos.

In 1984, North Korea stepped up its offers to talk with South Korea. This may be due in part to the DPRK attempting to erase its image as a terrorist nation and to develop trade between itself and capitalist countries. In January 1984, Pyongyang proposed a tripartite conference through the Chinese. Washington insisted that a direct dialogue take place between the North and the South. The North Koreans again demanded a withdrawal of U.S. forces from the South prior to direct talks with the ROK. In August 1984, President Chun offered free economic support to the North. This aid was reciprocated when a series of floods in September 1984 devastated many areas of South Korea. Pyongyang offered rice, cement, and medicine to the ravaged areas. On 15 November1984, an economic meeting was held at Panmunjom The South was primarily interested in trade while the North was interested in joint economic ventures such as fishing or in mineral exploration. Subsequent economic meetings were held in May and in June 1985.

A Red Cross meeting was scheduled for December 1984 but on 23 November, a Soviet defection at the DMZ ended in a shooting where four North Korean soldiers were killed. The talks were postponed. The talks were

rescheduled in January but were again unilaterally postponed by the DPRK. The reason was a protest of the ROK-US "Team Spirit" exercises where U.S. and ROK military forces conduct joint maneouvers. In April 1985, the North proposed talks to discuss a nonaggression declaration and a proposal to demilitarize the Joint Security Area. The South responded affirmatively and that they wanted to discuss reunification as well. The North agreed. The Red Cross talks did resume on 28 May 1985 and then again at Panmunjom in July 1985. There were still disagreements on the number of family members that would visit and which cities that would be allowed to visit but an exchange of family visits did take place in September of 1985.

On 20 January 1986, Pyongyang unilateraly suspended all parliamentary, economic and Red Cross talks citing the aggressive 1986 "Team Spirit" exercises as the reason. In March, Seoul proposed a resumption of the talks but North Koreas responded that "Seoul's proposal lacked a sense of reality and was not worth considering at all at this stage." Nevertheless, President Chun has expressed hope for a summit meeting with Kim Il-Sung before the end of 1986 to solve "urgent issues inherent in a divided country and to prevent miscalculations and misjudgements that could lead to war." [28]

1. Constitutional Amendment

During the 38-year history of the Republic of Korea, its constitution has experienced seven major revisions. With the exception of the 1960 and 1980 revision , they were all to give the incumbent president more power and longer tenure. The 1980 constitution has the following major provisions:[24]

1. The President is to be elected for only one 7-year term.

2. The President is to be elected by an electoral college of 5,000 delegates who may let their preferences be known to the voters prior to the election.

3. The National Assembly may call for the resignation of all the cabinet members and Prime Minister.

4. The National Assembly is elected to a 4-year term by popular election based on proportional representation.

5. The President may not dissolve the parliament within one year of its formation and cannot disband the National Assembly more than twice for the same reason.

6. Presidential emergency measures can only to taken when the nation is in a state of war or an extraordinary situations similar to it exists. The National Assembly must approve all emergency measures.

In 1986, the impetus for constitutional reform is coming from the people. A major constitutional revision is currently being advocated to have the election of the President by popular vote. There is significant popular belief that the election process is flawed and that the incumbent can control the electoral college and have elected the candidate of his choice. To promote their cause, the NKDP has proceeded with a signature campaign on petitions demanding the constitutional amendment through local chapter rallies and house visitations. Since March1986, five major rallies in Seoul, Pusan, Kwangju, Taegu, and Taejon, have been held to celebrate openings of provincial headquarters for constitutional rewriting.

President Chun has declared the signature campaign illegal as a threat to the politcal stability. Initially the government tried to prevent the campaign by police cordons around the NKDP offices and intermittent house arrests of

students demonstrating in favor of the revision. More recently, however, the government has backed off and shown more tolerance for the campaign.

The ruling party is opposed to this revision al least until there has been a transference of power under the 1980 constitution in 1988. The Prime Minister of South Korea, Lho Shin-yong, claiming that the 1980 Constitution was adopted with absolute support of the people, sums up the DJP view this way,[25]

> "If we split public opinion and waste valuable national energy by haggling over the issue of changing the Constitution at this crucial moment, it will not only make it difficult to carry out our national tasks [1988 Olympic games and transference of power] but also incur a crisis."

The DJP has given some indication of compromise. Lee Sang-il, chairman of the DJP's Central Committee and Roh Tae-Woo, the DJP chairman, have both stated that the ruling party was ready to negotiate with the opposition on amending the Presidential Election Law. One possible amendment, they suggest, could stipulate that members of the electoral college must vote for candidates put up by their own party. The DJP insists however, that revision of the constitution for direct election of the President would not be considered until 1989. The opposition has rejected the proposal for rewriting of the election law.[26] The DJP has also promised their candidate for the 1988 election will pledge support of a constitutional revision. Furthermore, a 20-day Special National Assembly session was opened on 21 March 1986 to discuss this issue.

Where does the United States stand on constitutional reform? This is best explained by Congressman Stephen Solarz who recently declared,[27]

"For American interest to be served and for political disaster in Korea to be avoided, there should be a compromise in which both the Korean government and the opposition give up some of what they seek for the sake of progress and stability."

3. Human Rights

The Republic of Korea has had a long history of repressive regimes where human rights violations have taken place under the auspices of national security necessities. However, from the outset, the United States has sought to develop a working democratic system in the ROK and remains committed to the support of human rights. This support may be best explained by Edward Olsen who says that many Americans feel it " is the right of the United States to ask that allies who are being protected so they can be free and democratic should, in fact, try to be precisely that..."[29]

The United States was extremely upset when Korean armed forces, operationally under the UN Command, supported the coup d'etat of General Park Chung Hee in May 1961. Again using military and economic aid as a political weapon, the United States threatened a termination of this aid if General Park did not hold elections to restore a civilian government. General Park acquiesced. In 1963, he promulgated a new Constitution and held elections which he won regardless.

The high point of U.S. political intervention was in the early years of the Park government when the US threatened to withdraw economic and military assistance if Park did not soften his excesses. However, when the ROK sent a division of combat troops to Vietnam in 1965, the Johnson administration lost all reservations about the legitimacy of the Park government.

Furthermore he praised Park lavishly for his achievements and governing ability. However, in the mid-1970's, with a deterioration in democracy in the government under the *Yushin* Constitution, the U.S. again became interested in human rights violations in the ROK. This was especially true in 1975, when one of one of the harshest decrees, Emergency Measure Number 9, was declared. This decree forbade criticism of the government and ordered prison terms of at least one year for any engaged in any activity seen as dangerous to the government. The decree censored newspaper editors and publishers and outlawed student riots. Anti-government student leaders were jailed or expelled. Independent campus organizations were forbidden. All students were forced to join the paramilitary National Student Defense Corps. Activists were jailed, placed under house arrest, and frightened into silence. It also permitted arrest, detention, search, and seizure without a warrant.

The U.S. Foreign Assistance Act of 1974, demonstating a concern of human rights violations, directed the President to "reduce or terminate military or economic assistance to any government which engaged in a consistent pattern of gross violations of internationally recognized human rights. The act allowed a waiver to this aid provided Congress is advised of extraordinary circustances. The 1975 Military Assistance Authorization Bill required the State Department to provide reports to Congress on the status of human rights in various countries and alllowed Congress to terminate assistance based on these reports.

Congressional disgruntlement toward the Republic of Korea was exacerbated with the Tongsun Park Affair. From 1976-78, South Korea put forth an effort to influence decion making and public opinon in the United

States. The Tongsun Park Affair, also called "Koreagate", was an attempt headed by Korean businessman, Tongsun Park, to gain United States support of the Korean government and mitigate the interest of Congressmen on human rights abuses in their country. This attempt included a distribution of approxmately $750,000 in political payments to Congressional campaign funds and parties for Congressmen which included "extra" favors from female hostesses. The Koreans also tried to distort Voice of America broadcasts, exert pressure on Korean-lanuage newspapers and broadcasts in the United States and intimidate publishers, editors, and reporters to kill stories critical of the ROK. Research institutes and individual scholars were approached with offers to underwrite studies that promoted South Korea in a good light. When the United States Congress demanded that the Korean Ambassador Kim Tong-jo return to the United States and testify, the Koreans were outraged. A diplomatic disaster was averted however, when Ambassador Kim agreed to respond to questions in writing.

President Chun's loosening of press censorship, his acceptance of the opposition gaining a large share of the seats in the National Assemby in the 1985 election indicate his recognition that some easing of authoritarian control is necessary. There is a fear however, that as the opposition gains strength and becomes more outspoken in its criticism, the government may become more repressive.

Nevertheless, the reports of human rights violations continue. Two of the most recent reports include the beating death of a civilian in the military reserve for supporting the petition drive for constitutional reform and the

electrical shock and water torture of fourteen workers from two publishing houses for printing anti-government remarks.[30]

The United States' interest in human rights violations of the South Korean government is based on several things. First, there is a genuine concern for ethical and humanitarian behavior of governments, especially governments that are receiving security support as well as economic cooperation from the United States. Second, there is a concern for political stability in the ROK. The United States fears than repression and authoritarianism may lead to serious political disruptions that could jeopardize the security interest of the United States in the region. Third, the U.S. fears a rising anti-American sentiment in the South Korean people if they feel that the United States is doing nothing to instill freedom and democracy in their country. Our interest in this area is best summed up by John Glenn and Hubert Humphrey when they declared, "American people have a humanitrarian interest in encouraging freedom for all men; and the United States has a national interest in preventing political oppression in South Korea from causing a major domestic confrontation."[31]

Nevertheless, the United States has to face the political and security realities in the ROK and not jeopardize its objective of promoting a stable and effective government. Stability is the *vital* interest. If that stability is best achieved by promoting democratic reform and supporting the cause of human rights, which it is, then our actions in this area is warranted. However, the best means to achieve this are for the United States to move behind the scenes to persuade President Chun that long term stability in South Korea is best effected by the moderation of authoritarian controls.

Strong arm tactics and overt pressue in this area could result in exactly what the United States is tying to combat, instability in the Chun government which presents possible security risks. Furthermore, Americans must come to realize that some authoritarian controls are warranted in South Korea with the ever lingering threat of an invasion from the North than in this country. As Claude Buss put it, "the survival and prosperity of the state takes precedence over the rights and welfare of the individual"[32] A public opinion poll taken by Seoul National University, Institute of Social Sciences, conducted in late 1983 found that almost 60 percent of Koreans concurred with this and held the view that individual rights "can be sacrificed to some extent for the development of the country."[33]

We should make every effort to reinforce a democratic behavior in the South Korean government, but we should not jepordize our security interests in the region by unneccessary interference in Korean political affairs. President Reagan was entirely correct when he told the South Korean National Assembly in 1983, "The surest development of democratic political institutions is the surest means to build the national consensus that is the foundation of true security"[34]. However, the United States should not use military assistance as a leverage to deal with the political affairs of South Korea. American security cooperation should not be based on whether we agree with their internal politics. We should approach human rights violations in the manner currently practiced by the Reagan administration, which is placing emphasis on quiet diplomacy to effect change. This means, acclaims the Reagan administration, enabled the opposition leader Kim Dae Jung to be released from custody in December 1982, has effected the release

of hundreds of political prisoners, and has allowed student demonstrations to return to college campuses for the first time since 1972.

Human rights in South Korea is a *peripheral* interest, not a vital one for the United States. It only becomes *vital* when it affects the political stability of the country. As Congressman Stephen Solarz recently stated, "There is no question we have an interest in the political stability of South Korea, since in the event of disorder in the south, Kim Il-Sung might miscalulate and launch an attack."[35]

IV. UNITED STATES ECONOMIC INTERESTS

The Pacific Basin has become a vital economic interest to the United States. In 1984, accounting for about $182 billion or approximately thirty percent of all U.S. foreign trade in the Pacific Basin surpassed that of U.S. trade with Western Europe. Many experts claim that by the year 2000, American trade across the Pacific will be double that across the Atlantic.[36] ASEAN, alone could produce a combined GNP of one trillion dollars eary in the next century. Appendix A gives the breakdown of United States trade in the Pacific Basin.[37] The Pacific Basin provides most of the free world's resources and production of strategic commodities such as rubber, chromium, tin, titanium, and platinum. Appendix B gives an indication of the amount and type of trade that Japan and the newly industrialized countries (NIC's) do with the United States.[38] The unimpeded flow of commerce between Asia and the the rest of the world is critical for worldwide economic stability and is thus a *vital economic* and *world-order* interest of the United States.

A. HISTORICAL LOOK AT THE KOREAN ECONOMY

> "Korea is a very poor nation, and it will take a series of economic miracles along with good judgement and very hard work to give it what economists call a viable economy."[39]

This statement best typifies the attitude of most economic observers of Korea even as late as the mid-1960's. The separation of North and South

Korea in 1945 took its economic toll. The division not only closed potential markets but even more important, it cut South Korea off from critical sources of raw materials. South Korea has only small amounts of anthracite coal, iron ore, copper, lead, and zinc. Therefore, it has always been heavily dependent upon outside sources for mineral resources.

The Korean War (1950-1953), decimated the country. Fifty percent of the country's manufacturing, forty percent of the homes, and twenty percent of the schools had been destroyed. Paddy fields and irrigation ditches laid in ruin. Over one million lives had been lost. Furthermore, the constant fear that North Korea would once again make a military advance south of the 38th parallel, required huge military expenditures. Even today, 35% of the national budget for South Korea, totaling seven percent of its Gross National Product (GNP) is allocated for defense.

Syngman Rhee, who was President of the Republic of Korea from August 1948 until July 1960, was too preoccupied with politics to take the proper concern with the nation's economy. Some factories were started but the scarcity of essential inputs and machinery limited their operation. High inflation discouraged individuals from putting their money in the bank and watching their purchasing power erode. Thus, banks couldn't fund business ventures. The black market economy was much more successful than the legitimate economy. One-fifth of the working population was unemployed. The per capita income was $90.00 in 1960. This approximately the per capita income of India. The only reason that the economy didn't totally collaspe was the strong support of South Korea by the United States.

During the war, the United Nations set up the Civilian Relief Agency to provide medicine, food, and shelter to the war ravaged South. Following the Korean conflict, the United States set up the Foreign Operations Administration which later became the Agency for International Development (AID). Between 1954 and 1974, U.S. economic aid totaled $5 billion. The objectives of this aid was to revitalize the economic life of the nation, assist the ROK in improving resource allocation, developing a rural economy, accelerating growth and efficiency of domestic and export industries, and improving the government's organization, administrative capacities and social policies.[40]

In July of 1960, Chang Myon was elected Prime Minister on an "Economic Development First" platform. However, he wasn't given much opportunity to promote his program. On May 16, 1961, Major General Park Chung Hee launched a successful military coup to take control of the government. Park, however, also made the Korean economy his first priority and he went to work developing one of the fastest growing economies in the world.

An examination of some of President Park's strategies that spurned the tremendous growth in the South Korean economy, is in order. One of Park's first acts was to set up the Economic Planning Board (EPB). This organization was set in 1961 to examine the economy, determine suitable ways of improving it, and draw up appropriate plans. The EPB was also placed in charge of approving joint ventures and technology licenses. The importance of this board was demonstrated in 1963 when the EPB Minister was given the title of Deputy Prime Minister.[41] Parked also tasked the Ministry of Commerce and Industry with approving the establishment of individual

companies and monitoring their operations. The Ministry of Finance was charged with regulating the banks and keeping tabs on the credit flow.

In 1965, Seoul "normalized" relations with Tokyo which paved the path of massive Japanese investment capital. In 1966, the Foreign Capital Inducement Law was enacted which featured provisions which accorded foreign investors special tax credits and guarantees of repayments.

Park pressed for an "export-propelled" economy. Most of the government sponsored incentives were given to export companies. These incentives included reductions of corporate and private income taxes, tariff exemptions for raw materials imported for export production, financing of imports needed for producing exports, business tax ememptions, accellerated depreciation allowances, and tax exemptions on capital equipment. Monthly export promotion meetings were held. It was considered patriotic to export. The 30th of November was declared "Export Day". Annual ceremonies have been held to remind the public of the crucial role exports play in the nation's economy, and to present awards to people who have contributed most to the cause.[42] It was felt that the maintainance of international competitiveness in exports would force South Korean factories to produce more efficiently.

Initially an import-substitution policy was used to protect "infant industries", but never to a large extent. As soon as these import-substitution factories covered domestic needs, they were encouraged to export. Between 1968 and 1973, the significant import-substitution industries included those involved in the manufacturing of synthetic fibers, fertilizers, iron, steel, finished metal products such as automobiles, transport equipment, non-electrical machinery, and chemicals. With the exception of the automobile

and petrochemical industries, this policy proved rather effective.[43] Figure 1 displays the relative importance of the export expansion and import substitution strategies in the South Korean economy.[44]

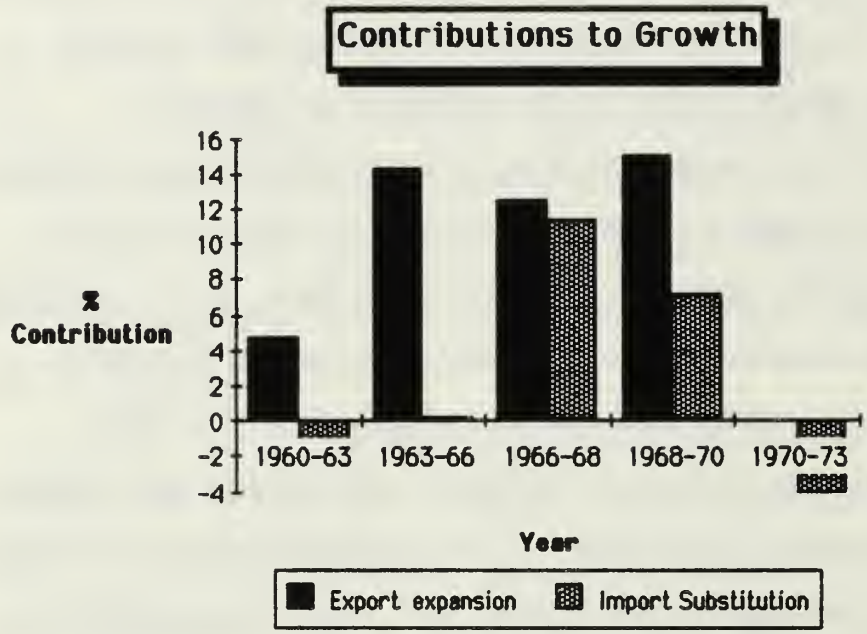


Figure 1

In March 1971, the Korea Development Institute (KDI) was set up with the responsibility of forseeing problems and issues that the Korean economy was likely to face and present suggestions for policy. It still conducts seminars with government officials, industry representatives, and college professors in order to bridge the gap between the government and the academic and business coomunities. The KDI currently has thirty-seven senior and 100 junior researchers on its staff.[45]

In 1973, South Korea announced a policy that began a whole new phase of industrialization which focused in the area of heavy and chemical industries.

New shipyards, iron and steel plants, and automobile manufacturing plants sprang up. Growth rates soared. This made foreign loans easily attainable. Figure 2 graphically illustrates this shift.[46]

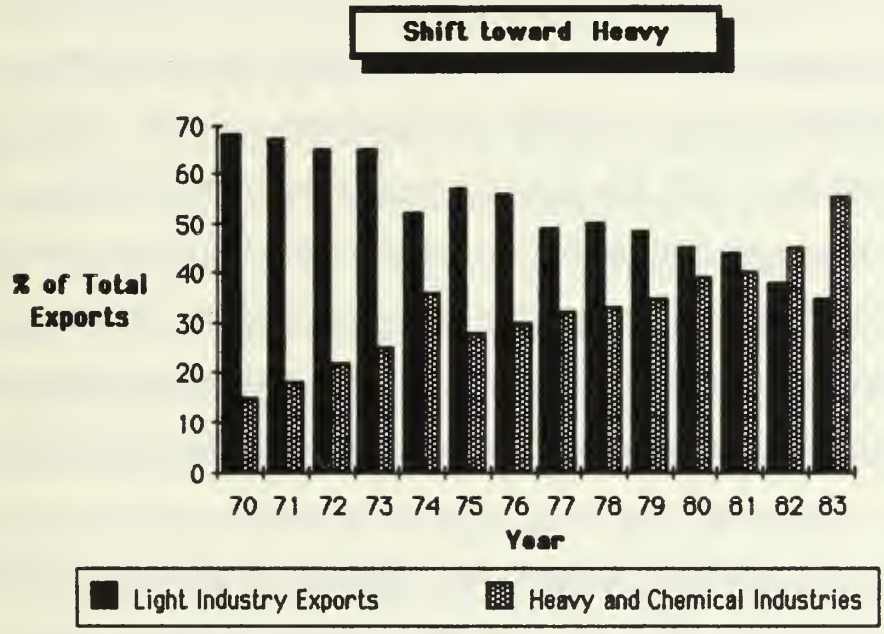


Figure 2

By the late seventies, dissent against the government became prevalent. Though Park had done immeasurable good for the Korean economy, his "iron glove" rule disquieted many people. This dissent plateaued with Park's assassination in October, 1979. His assassination brought chaos to the economy. Strikes were commonplace. The company increased wages to appease the strikers but this fueled a spiraling inflation. Exporters took the

brunt of this. Their export businesses began drying up due to the high price of Korean goods. Investment capital, both foreign and domestic, was cut off as people were not willing to gamble on factory production with the disorder and unrest. In 1980, South Korea suffered a 6.2% negative growth rate.[47]

It is unfair, though, to blame political instability on all of South Korea's woes. The ROK had become overambitious in its development. Too many shipyards and assembly plants were built and the excess capacity could not be used. The oil crisis in 1979 also played a major role in the economic woes. Many factories were built on the assumption there would continue to be a flow of cheap oil into the county. In addition, many of the industries were developed on the assumption that there would be a steady growth in the world economy and international trade. Neither of these assumptions were to become true.

Nevertheless, tremendous successes were made in the Republic of Korea. Let's examine some of them. In 1961, there were only two small plants producing cement. Then the government started building bridges, dams, and highways. Factories started springing up at a tremendous rate and the construction of thousands of homes were required. This created an unprecedented demand for cement. Production increased from one million tons of cement in 1961 to twenty-four million tons in 1984. The Ssangyong Cement Industrial Company currently produces nearly one-half of South Korea's cement. It is the world's largest cement producer, making 11.5 million tons annually. South Korea became the twelve largest producer of cement in the world in 1982 and hopes to be ranked sixth in the world by 1986.[48]

Electronics was regarded as a "strategic export industry" beginning in 1969 with the Electronic Industry Promotion Law. Thus, it acquired many government incentives. The Korea Institute of Electronics Technology, the Korea Electro-technolgy and Telecommunications Research Institute, and the Korea Advanced Institute of Science and Technology were established to promote advances in the field. From 1971 to 1981, sales of electronic equipment increased from $88 million dollars annually to $2.2 billion. The number of jobs in the industry increased ten-fold in the first seven years of that time period, though it declined slightly afterwards. In the 1970's annual production in electronics increased an average of 44% and the export of these goods showed a 43% increase. Sixty percent of all the electronics produced in South Korea is exported, accounting for 11% of their total exports in 1981. Initially, South Korea only produced parts and components, but as of 1981, only 49% of their production was for parts and components. Forty-two percent of their production was in consumer products and 9% in industrial equipment.[49]

Textiles have been South Korea's most important export commodity. At their peak in the mid-1970's textiles accounted for 40% of South Korea's export earnings. In 1981, this figure had declined to 30%. The ROK exported $6 billion worth of textiles in 1983 and $7 billion worth in 1985, yet the textile percentage of export earnings fail to 25% and 23.1% respectively.[50]

Construction work in Korea took off with the building of the Seoul subway, the Kimpo International Airport, and the Seoul-Pusan highway. For over two decades, construction increased an average of 15% a year. Overseas contracts have been particularly lucrative. By 1982, there were sixty

contruction firms doing projects in the Middle East alone. These firms accounted for $13.6 billion in income in 1982. There were $6.5 billion worth of new contracts with Iraq, Libya, and Saudi Arabia alone, in 1984. Hyundai Engineering and Construction won a $730 million contract to build a power plant south of Baghdad, Iraq which was a portion of the $1.62 billion of new overseas contracts for Hyundai in the first six months of 1984.[51]

Korea's annual steel production reached 14 million tons in 1983. Pohang Iron and Steel which began producing in 1973, became the twelfth largest steel producer in the world in 1983 producing 8.5 million tons of steel a year with sales of $2.4 billion.[52]

Hyundai opened the largest shipyard in the world in 1974 at Ulsan. By 1983, South Korea became the second largest shipbuilder in the world behind Japan. In 1972, it had 141 shipyards producing 190,000 gross tonnage which was only .2% of thw world market. In 1982, it had 160 shipyards producing 4,000,000 gross tons, or 5.8% of the world market. In 1983, the ROK exported $3.7 billion worth of shipbuilding business. This included repairs and conversions as well as new ships.[53]

Agriculture also encountered success. South Korea is mountainous and covered with forests, allowing only two million hectares or approximately 20% of the total land area to be cultivated. However, many projects were undertaken to increase the productivity of the land. The number of power tillers, tractors, and threshers increased twenty-fold with one decade. Chemical fertilizers were purchased, much of which was with American aid. New varieties and strains of crops were developed. In July of 1961, Park established the National Agricultural Cooperative Federation to give loans,

mostly government loans, to farmers. It also counseled farmers on the use of fertilizers, machinery, and special varieties of crops. The Office of Rural Development was established to centralize agricultrual research and development. Government price supports to farmers were implemented. In 1971, President Park initiated the *Saemaul Undong* or New Community Movement in which the government provided funds to farmers for small bridges, irrigation projects, or home improvements. The government supplies the money or the materials and the farmers provide the labor.
South Korea attained, at one point, a rice yield of 5,000 kilograms per hectare, which was the highest yield of rice per hectare in the world. This allowed South Korea to be self-sufficient in rice for awhile, but soon population growth required them to continue importing rice.[54] Other agricultural successes were made in wheat, barley, fruits and vegetables, and tobacco. Net sales in agriculture approached $4 billion in 1984.[55]

There have been numerous other successes. In maritime shipping, South Korea's 1980 level of 82 million tons was nine times their 1962 level. Since 1962, Korea Air Lines increased the number of its jets from thirteen to forty-two, making it the biggest airline in the Orient. It now flys to twenty-seven major cities in eighteen countries. In 1982, Korea ranked fifth in plywood constuction with a capacity of 7.5 million square feet, accounting for three percent of their total exports. In 1982, South Korea ranked as the fourth largest exporter of footwear with sales of $1 billion a year. Footwear accounted for five percent of the total exports and ranked as the fifth best export earner for Korea behind textiles, electronics, steel, and ships. Korea ranked sixth in the world in toy production.[56]

How do all these successes add up in terms of overall growth? From 1962-1982, the Gross National Product (GNP) of South Korea increased an average of 8.3% annually. Figure 3 indicates this tremendous growth.[57]

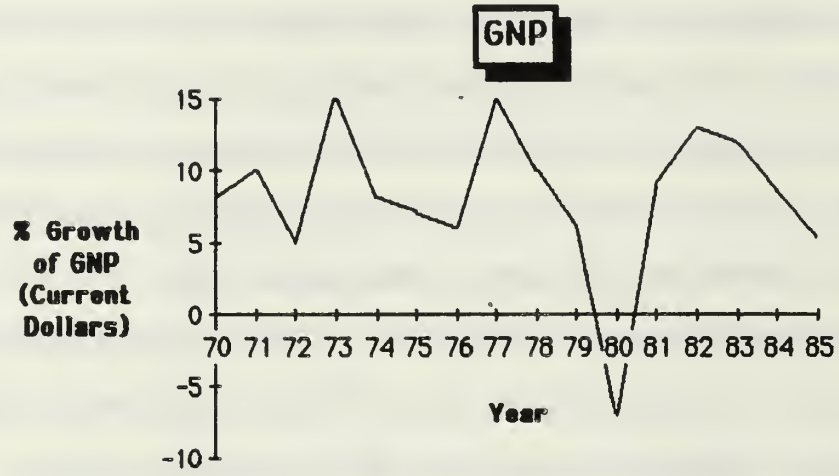


Figure 3

The GNP for 1980 and 1984 were 60.3 billion and 82.9 billion respectively. This brought the per capital GNP from $90.00 in 1960 to $2,041 in 1984.[58]

What role did manufacturing play in this growth? In the early 1960's manufacturing accounted for 14% of South Korea's GNP. This increased to 21% in the 1970's and 30% in the early 1980's. Figure 4 indicates this trend.[59]

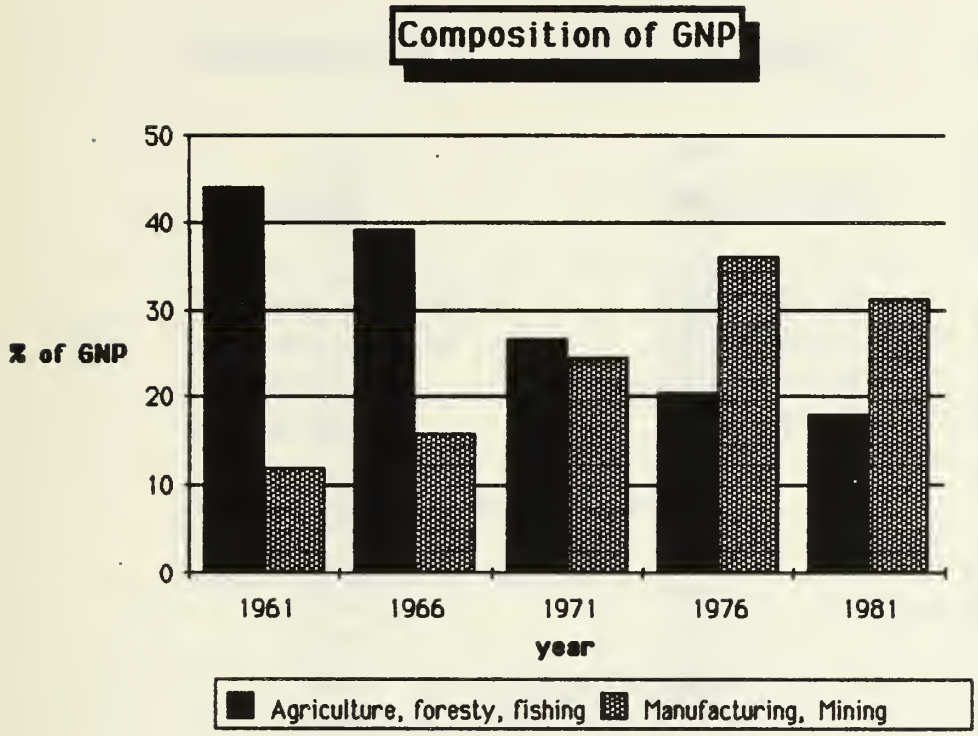


FIGURE 4

Investments accounted for 13% of the GNP in 1962. This increased to 22% in 1972 and 27% in 1982. Domestic savings increased from 3% to 16% to 22% of the GNP over the same time period.[60] However, much investment capital was still required. In 1972, South Korea had borrowed $4 billion. This had risen to $43 billion in 1985. Inflation has been kept under control. After a high of 30% in 1980, inflation was arrested at 3.8% in 1984 and 3.6% in 1985.

Exports have been critical to the South Korean economy. This importance of exports in the Korean economy is illustrated in Table 1.[61] Table 2 lists their top exports for 1985.[62]

YEAR	AMOUNT ($ millions)	YEARLY GROWTH (%)
1962	57	32.2
1963	84	48.8
1964	121	43.2
1965	180	49.3
1966	256	41.7
1967	359	40.2
1968	500	39.5
1969	703	40.4
1970	1,004	42.8
1971	1,352	34.7
1972	1,807	33.6
1973	3,257	80.2
1974	4,713	44.7
1975	5,427	15.2
1976	8,115	49.5
1977	10,046	23.8
1978	12,711	26.5
1979	15,055	18.4
1980	17,505	16.3
1981	20,993	19.9
1982	21,616	3.0
1983	24,445	15.5
1984	29,150	19.2
1985	30,283	3.6

SOURCES: Business Korea, January 1984
Korea Herald, 26 March 1986.

KOREA'S EXPORT TRENDS

TABLE 1

PRODUCTS	EXPORT AMOUNT
Textiles and garments	6976 (23.1%)
Ships and vessels	5,013 (16.6%)
Electronics	4,228 (14.0%)
Steel products	2,567 (8.5%)

(in $ millions and percentage of total exports)

SOURCE: Korea Herald, 11 March 1986

TOP EXPORT ITEMS

TABLE 2

In the 1960's manufactured goods accounted for 20% of the ROK's exports. By 1962, they accounted for 80%-90% of the exports. Total exports, themselves, grew from $55 million to $2.2 billion in that same time period. Exports accounted for only 1% of the GNP in the 1950's. This percentage grows to 30% by the late 1970's. South Korea's trade partners had also changed considerably as Table 3 displays.[63]

	PERCENTAGE OF EXPORTS		PERCENTAGE OF IMPORTS	
	1970	1980	1970	1980
US	47	26	30	22
Japan	28	17	41	26
Asia	10	15	16	11
Europe	9	18	11	9
Middle East	1	15	7	23*

*Reflects the impact of oil price hikes

TABLE 3

B. FUTURE PROSPECTS

Estimates of the economic future of South Korea is mixed. The President of Ssangyong Cement Industrial Company feels that the prospects for future sales are "cloudy" as the market is expected to grow slowly and the growing competition from Japan, Taiwan, and Indonesia. Cement plants operated at only 74% capacity in 1985. The first quarter of 1986 showed a 21.9% drop in cement production over the same period in 1985 with plants operating at only 55% capacity.[64]

The future of the construction industry in South Korea is very questionable as stagnant oil revenues, local competition, and completion of long term projects in the Middle east have led to a decline in South Korean construction orders. There was only $700 million in new orders from the Middle East in 1985. In addition, unpaid bills from the Middle East total $2.29 billion. Continuing drops in the price of oil will only make their situation worse. These losses have been offset somewhat with projected pickups in

domestic construction with large public facilities and infastructure expansion. The Economic Planning Board and Koreas's Ministry of Construction project numerous large scale projects such as the expansion and development of highways, ports, airports, dams, urban renewal and industrial water system projects, and increases in private and public housing.

There are some bright spots. Suh Suk Tae, the executive director of Daewoo textiles division predicts that textile exports should grow 15-25% annually and reach $20 billion in five years. Others believe that the recent boom in textiles is short-lived and that automation and mechanization in developing countries will limit the scope of the Korean textile boom. What all do agree on ,though, is that Korean producers must make a transition from low quality fabrics and garments to higher value-added fashion garments which require emphasis on design, quality control, and rapid respons to market preferences.

The Korean government has targeted electronics production as a major growth sector throughout the 1980's and is supporting investment research and development in telecommunications and computers, semi-conductors, and integrated circuits. Government investment in semiconductor research alone will total $2 billion by the end of 1986. It is projected that electronics exports will grow at a rate of 17% annually up to 1989 and emerge as South Korea's largest export item, taking over that position from textiles. Exports of electronics in 1989 are projected to be $10.1 billion.[65] Sales will mostly be in these major export items: color and black and white television sets, automatic data processing machines, telephone, semiconductors, video tapes, cathode ray tubes (CRTs), and microwave ovens.

What are some of the problems of the South Korean economy? Many economists believe that Korea is rapidly running out of untapped opportunities and there simply aren't as many new articles to sell and certainly fewer new markets.

What problems lie ahead for the ROK? According to many Koreans, the biggest problem they face is their foreign debt. Foreigt debt leaves a bad taste in the mouth of Koreans, as the Japanese used unpaid debts as an excuse to annex Korea in 1910. The government of Korea has a total debt of $43 billion dollars, or 54% of its GNP. This is up from $40.1 billion a year earlier. South Korea is Asia's largest borrower and the fourth-largest in the world. It spends over 16% of its foreign exchange earnings to service this debt. Tight monetary controls were enacted in July 1984. The EPB made a policy that the annual growth rate of the money supply (M_2) would be held at 10% of import growth in order to reduce the current account balance.[66]

The Finance Ministry feels that if labor relations are not improved, labor unrest could become the country's biggest problem. It feels that Korean companies need labor peace and low wage increase to compete with countries such as Japan and China.. In the first six months of 1985, the Labor Ministry counted 146 labor disputes, twice the number in 1984. Many strikes were led by university graduates who have taken jobs in factories to organize workers.[69]

Hong Wontack feels that the greatest danger to South Korea is its lack of natural resources. Recognizing that a country must secure a dependable supply of resources with reasonably stable prices, he comments, "the major

question is whether a resource-poor country like Korea can survive the seemingly aggravating tyranny of resource-rich wealthy countries."[70]

Another problem the ROKwill have to deal with, according to sociologists, is a serious income disparity between white-collar professionals and wage workers, between city and farm workers, and between skilled and unskilled laborers. The EPB has shown that in 1984, the top 20% of the population claimed 45.6% of the nation's wealth with the bottom 40% taking 16.1 percent [71]

To combat these problems, the ROK has made has been to deemphasize the ability to export and reward more for developing new products, improving quality, and selling goods under their own brand names.[72] The KDI is very optimistic. Exports are projected to rise by 15.4% and imports by 12% through 1986 assuming crude oil prices increase no more than 2-3%. Projected debt by 1986 has dropped from $64.5 billion to $47.4 billion. As shown by figure 5, they predict their GNP will be $93.1 billion in 1986 and $250 billion by the year 2000. and their per capita GNP to rise to $2,226 in 1986 to $5,000 in the year 2000. Figure 5 displays these predictions.[73]

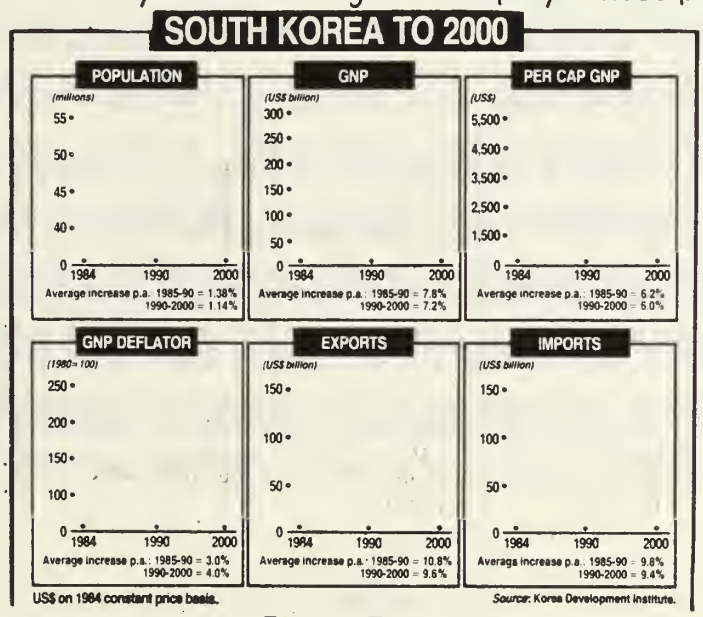


Figure 5

C. CURRENT ECONOMIC ISSUES

1. Energy

In 1979, 80 percent of East Asia's energy was imported with 100 percent of their petroleum imported; 90 percent of the petroleum came from the Middle East. A loss of that oil would be debilitating to Korea and Japan and could possibly lead to economic and political chaos and make that region susceptible to communist aggression. Most of the oil produced by the Middle East passes through the Indian Ocean sea lanes in reaching European and Asian consumers. The United States has a short-term *vital*/world-order interest and a long-term *vital* survival interest in keeping those sea lanes open. A move toward less dependency on this Arab oil, by our Asian allies, is in our national interest. Therefore, we should encourage and assist a move in that direction. South Korea is making an attempt. In its current Five Year Social and Economic Development Plan (1982-86), Korea plans to reduce its dependence on petroleum from 58 percent in 1981 to 46 percent by 1986.

2. Trade and Business Ventures

United States trade relations with the Republic of Korea currently constitutes a *major* U.S. interest and if trade continues to grow at the present rate, that interest may well increase and become *vital* as happened with Japan. Korea currently ranks seventh among U.S. trading partners with trade totally $17.2 billion in 1985. Korean imports from the United States, totaling $6.5 billion in 1985, made South Korea the United States' eighth largest export market worldwide. These imports were mostly technical, capital-intensive goods such as computers, airplanes, machinery, engines,

power generators, and agricultural products such as rich, wheat, corn, and cotton. It is the fourth largest purchaser of U.S. agricultural products. The United States, accounting for 34% of Korea's exports, imports Korean textiles, clothing, footwear, TV sets, consumer electronic goods, and steel products. Appendix C sums up the amount of trade that the U.S. has historically maintained with South Korea.[74]

There are over 125 American businesses in Korea. The maintenance of these businesses, while not *vital* to American national interests, are *vital* to the Korean economy. U.S. businesses have invested over $471 million in 172 projects in South Korea by the end of 1983. This accounts for 27.6% of all foreign investment in the ROK. Furthermore, U.S. businesses and banks have lent about $6 billion to Korean businesses and the Korean government. These investments have strengthened the Korean economy and thus has contributed to the security of the country. As President Park stated, "$1 billion of investment is as important as one division of troops".

3. Protectionism

The Republic of Korea, being export oriented, is very suseptible to other countries' protectionist measures. Early in the economic relationship between the two countries, the United States granted ready access to its market at concessional terms to the ROK. The American private sector led the way in granting loans to South Korea. Though Japan led in technology transfer to South Korea, the United States was the primary supplier of licensing and technical cousultancy. More importntly, it provided an indispensible shield of military security which allowed South Korea to focus

on the building of its commercial industries. However, in the early seventies, President Richard Nixon moved to offset the negative impact of massive imports into the United States. He challenged the International Money Fund (IMF) and General Agreements on Trade and Tariffs (GATT) policies by adding a 10% surcharge on American imports. Furthermore, the worst recession in American history since the Great Depression hit the United States in the late seventies. This sparked an even stronger environment favoring protectionist measures in the United States. This mood has recently been intensified by the United States moving from being a net creditor nation to a net debtor nation last year. This protectionist environment is best exemplified by the Trade and Tariff Act of 1984 with its emphasis on reciprocity in trade. It states that if a foreign trade partner fails to open its markets, the the U.S. government can limit market access for that country. Nam Duck Woo, the chairman of the Korean-U.S. Economic Council says that forms of protectionism in the United States have reached "epidemic proportions."[67] Former U.S. Ambassador to Korea, Yeutter, recently stated, "We're closer to a sheer protectionist environment now than at any time since the Smoot-Hawley Tariff of 1930, which worsened the Depression."[68] Twenty of South Korea's trading partners currently use protection measures.

Trade protectionism against South Korea, and for that matter Japan, Taiwan, Singapore, or other Asian country is not in our national interest. Economically, protectionism can be proven detrimental to the total well-being of Americans. Jobs would gained by businesses competing against the imports but a corresponding number of jobs would be lost by American importers. Furthermore, prices for consumer goods would be higher for

Americans. The net affect would be a lower standard of living for Americans that would more than offset any gain. In addition, protectionist measures could exacerbate political frictions between the U.S. and its Asian allies; a political friction that couldn't help but spill-over into security matters. It is in the American interest to foster a strong and vigorous South Korean economy.

Asian trade had been used an an escape goat for the unemployment caused by more deep-seated problems. The heart of the problem of a large U.S. trade imbalance, is the strong American dollar. The strong dollar, due to foreign confidence of the United States as a low inflationary, high growth, nation makes American exports more expensive, thus less competitive. The strong American dollar is pricing the American exporter out of business which adversely affects the job market in the United States. In addition to the strong dollar, the Asian countries have also upgraded the sophistication of the products, making them more attractive. They also have improved their reliability of delivery. Furthermore, American competitiveness is also lacking as American industries have been very slow in increasing their productivity.

Nevertheless, the U.S. Congress is adament about steming the rush imports into this country. They recently passed the U.S. Textile and Apparel Trade Enforcement Act. This act, currenty under veto by President Reagan, limits the annual increases in imports from major textile exporters to one percent. The U.S. Congress is also moving to scap the Generalized System of Preferences (GSP) which have helped Newly Industrialized Countries (NIC's) such as South Korea, for years. Currently, forty-three percent of South

Korean export items to the United States fall under some form of import restiction.[75] Distressed with this trend, a 30-member trade mission from the ROK made a visit to the United States in April 1986 to plead their cause.

Liberal markets is a two-way street, however, and constant pressure must be applied to the ROK and our other Asian allies to continue their move toward liberalization of their imports. The Republic of Korea has made great strides in this area. South Korea has removed import licensing restictions on over 300 products. By 1984, 84.7% of its imports were free of non-tariff import barriers. This percentage is to increase to 95% by 1988. In addition, the tariff rate will be reduced to 16.9% by 1988 from 22.6% in 1983. Furthermore, there has been a liberalization in the ROK's foreign investment policy as demonstrated by a revision of their Foreign Capital Inducement Law effective 11 July 1984. Prior to the revision, foreign investments could only be made in firms that were on a "positive list" and only with government approval. Currently, investors can invest in any company without government approval as long as that firm is not on the government's "negative list". The list of companies on the "negative list" is rapidly being reduced.

Though it is impossible to separate entirely our economic from our strategic interests, the United States should not enter our economic relationship with the South Koreans blinded by our security interests. As Edward Olsen states, " bilateral economic frictions must be factored into U.S. calculations of South Korea's strategic value to the U.S. and what level of costs Americans should bear on behalf of the R.O.K".[76] Nevertheless, these "bilateral economic frictions" must be based on a real, not a imaginary threat. Most of the conflicts along the economic lines can be alleviated by a

realization by the United States that the ROK accounts for only a small percentage of the U.S. trade deficit and it is being singled out as an "economic animal" only for political purposes. This is not to say some inequities are not present in the U.S. trade with Korea which both sides need to resolve.

V. UNITED STATES STRATEGIC INTERESTS

The Korean peninsula today is, per capita, one of the most militarized areas of the world. Over 1.2 million regular troops are poised against each other along a 120 mile stretch of the De-militarized Zone (DMZ) separating the two countries. This chapter will examine this massive military build-up and assess what impact the balance of power between the Democratic People's Republic of Korea (DPRK) and the Republic of Korea (ROK) has on U.S. policy in the region. Two particular U.S. policy issues that I will examine are security assistance to South Korea and the maintenance of U.S. troops on the peninsula.

U.S. policy decisions about Korea cannot be made in a vacuum, i.e., focusing only upon the peninsula. Instead, a regional approach must be taken. Therefore, I will begin my discussion by looking at the regional balance of power and the relationship that the major players have with the Republic of Korea. This section concludes with evidence that despite a rapid military build-up in the ROK, North Korea still possesses a quantitative lead which along with its offensive posture still presents a deadly threat to the South. Therefore, as subsequent discussion delineates, security assistance and a U.S. troop presence in South Korea are a continued necessity for peace and stability in Northeast Asia.

A. REGIONAL BALANCE OF POWER

1. Soviet Union

The Soviet Union's actions in recent years in Afghanistan, Poland, Cambodia, Angola, Nicaragua, and elsewhere are testimony to their dynamism and expansionist policies. This expansion of Soviet presence and influence in the world been quite obvious in Asia and the Pacific Basin.

In eary 1979, the Soviets created the Eastern Combined Forces Command at Khabarovsk to control the three military districts of Zabaykalsk, Siberia, and the Far Eastern District. This gives the Soviet Asian regions a degree of operational autonomy that would facilitate Soviet command and control in the event of a two front war.[77]

The Soviet Pacific fleet has expanded from a coastal defense force to a powerful armada threatening the sea lanes with 85 major combatants including two VTOL/STOL aircraft carriers, 117 submarines (including 31 ballistic missile submarines), 15 cruisers, 18 destroyers, and 60 frigates. In addition, 40 TU-26 Backfire bombers, specifically designated for a maritime role, augment the force.[78] The Backfire bomber has an unrefueled combat radius of 3400 miles and its role of interdiction of the sea lines of communication poses a credible threat to the U.S. Seventh Fleet. The primary operational mission of the Soviet Pacific Fleet is the security of the Soviet fleet ballistic missile submarine force based at Petropavlovsk on the Kamchatka peninsula and to ensure its effective deployment in wartime. A second major mission of the Soviet Pacific Fleet is the countering of American ballistic missile firing submarines and carrier groups based in the Pacific, capable of nuclear strikes on Soviet territory.[79]

Over the last ten years, Soviet Far East ground forces have increased from about 20 to 53 divisions for a total of over 600,000 troops, equipped with 14,900 tanks and 15,200 artillery pieces, and supported by 1690 tactical aircraft of the Soviet Air Force, including the recently deployed MiG 31.[80]

Ten thousand Soviet troops are stationed in Kunashiri and Etorofu islands off Hokkaido. They are suported by MiG-23's which have been recently increased from twenty to forty. In addition, the Soviets have deployed SSC1 missiles on Etorofu. The SSC1 has a 450 km range and its conventional warhead can be interchanged with a one kiloton nuclear warhead.

Soviet ground forces in the region are planned by Moscow primarily against the Chinese and would be capable of mounting fast-moving operations into Xinjiang, and possibly across the Manchurian plain to Beijing, but not without heavy losses. However, the Soviets must fear a probable nuclear retaliatory strike against Soviet population centers from the Chinese if such an attack occurred.

The most ominous symbol of Soviet power in the region is the 134 SS-20 missiles, with a total of 372 warheads, stationed east of the Urals. Their range in excess of 3,000 miles gives them the capability to threaten China, Korea, Japan, Guam, the Philippines, and the western portions of the United States.

Vietnam has given, in return for military and economic assistance, access to naval and air facilities at Cam Ranh Bay and Da Nang to project Soviet power into the Pacific and Indian Oceans. In addition, by obtaining the rights of overflight and landing in North Korea and the use of North Korean

ports at Nampo and Najin, the Soviet have also established North Korea as a staging area for Soviet global military strategy.

The most significant threat to U.S. and allied naval forces in the Pacific is the large Soviet submarine force. It is likely that in the early stages of any war significant losses to allied shipping would be inflicted. However, the U.S. and its allies has a better than even chance of containing the Soviet Pacific Fleet in northern Pacific waters.

According to Norman D Levin, the regional objectives of the Soviets include: 1) countering U.S. air and naval deployments in the Pacific and being able to interdict the sea and air lines of communication linking the United States to the region, 2) limiting China's freedom of action on its southern border, 3) countering or neutralizing potential developments in U.S.-Japan and US-Japan -PRC security relations, and 4) facilitating further Soviet penetration of the southern Asian and Western Pacific regions.[81] Militarily, Moscow's primary objective in the region is to prepare for the contingency of war against the United States and China. Other military contingencies would include a war on the Korean peninsula, Soviet responses to a Chinese invasion of Vietnam, and punitive cross-border strikes against China.[82]

China, the only Asian power with nuclear weapons, continues to be perceived by Moscow as the Soviet's most serious security problem. Trying to contain China's power and influence is seen as central to Soviet policies in the region. Donald Zagoria feels that Soviet over-reaction to a perceived "threat" from China, evidenced in the massive military build-up along the Sino-Soviet border, "is an example of the kind of Soviet inflexibility that has proved to be so counterproductive in its foreign relations...".[83] This could

explain the Soviet failure to check the expansion of China's relationships with the U.S. and Japan. Zagoria also feels that Soviet attempts to re-establish their influence in North Korea may be aimed at distracting the U.S. from building up its military power in the Persian Gulf and Indian Ocean and completing their encirclement of China.[84]

The Soviet Union has made a considerable effort to attract Japanese investment in Siberia, but the Japanese remain wary of improving the general economic strength of the Soviet Union. Furthermore, the Soviet Union's inflexibility on territorial issues and its military build-up in the vicinity of Japan has in a large part precluded a warming in relations between the two countries.

2. Peoples Republic of China (PRC)

Tensions between the PRC and the Soviet Union seem to remain strong despite a resumption of full diplomatic talks between the two countries in October 1982. There remains, by some estimates, more than one million heavily armed men along the Sino-Soviet border.

Of particular disappointment to the Soviets, has been the warming of relations between the PRC and the United States. Since diplomatic relations between the U.S. and China were restored in 1979, numerous scientific, cultural, and economic agreements have been reached between the two countries. These include agreements that would allow U.S. contractors to bid on the building of nuclear reactors in China as well as the sale of military weapons to the PRC. China hopes to use this new relationship to help modernize its forces to counter the Soviet threat.

Historically, the PRC has been a friend and ally to North Korea. This friendship was consolidated when China came to the aid of the DPRK in October 1950, when the Korean War began to turn sour for North Korea.. When the Sino-Soviet rift began to widen, both China and the Soviet Union made concerted efforts to keep North Korea from the other's camp. As a result, the PRC did not even recognize the ROK as a legitimate government until the early to mid-1980's.

In 1981, when the Sino-American relations began to deteriorate over the U.S. arms sale to Taiwan, China began to shore up its relations with North Korea by sending military and economic aid to Pyongyang. In April 1982, Deng Xiaoping made a secret visit to North Korea which was soon followed by 40 A-7 aircraft and an export of a million tons of oil to the Kim regime.[85]

Recently, however, Beijing has been playing both sides of the Korean fence. China did not approve of Kim Il-sung's plan for military action against South Korea in 1975 when Kim discussed this matter with the Chinese in Beijing. Furthermore, the PRC has disassociated itself with the terrorist acts of the DPRK. This was particularly true with the Rangoon bombing. As a result, dialogue between the PRC and South Korea has increased significantly. It also seems the PRC has recently shown a willingness to pressure North Korea to take a less rigid approach to reunification and to explore with the United States and Japan, steps to reduce tensions on the peninsula. The United States interests in the region would be significantly enhanced by this type of shift from the PRC. The United States could use the PRC to set up four-way talks between themselves, Seoul, and Pyangyang, to achieve these

reduced tensions. However, official rhetoric by China is that "there is no change in our policy toward South Korea" and "there will be no change in the future"[86].

3. Japan

Japan recognizes that its access to natural resources, particularly energy supples, and the maintenance of the sea lanes constitute a survival interest to them. Nevertheless, due to limitations in the constitution prohibiting a significant military build-up, they provide only a token defense of those interests. This token defense consists of a 180,000-man Self Defense Force which provide only limited coastal protection of its home islands. However, beginning in 1969, the Nixon administration began pressuring Japan to assume a greater role in the preservation of the security and stability in the Northeast Asian area. The pressure tactics have worked to a certain extent. Until 1980, the mission of Japan's Self-Defense Force (SDF) was restricted to protecting sea lanes a few hundred miles off the Japanese coast. Their mission was to escort and protect vessels carrying food, oil and other resources to Japan along two sea lanes, one connecting Tokyo and Guam, and the other from Osaka to the Bashi Channel, between Taiwan and the Philippines. SDF defense operations were limited to counter only a direct threat to Japanese territory. In 1980, Prime Minister Suzuki pledged to improve Japanese defense capabilites and protect its sea lanes extending 1,000 nautical miles from its coasts. In January 1983, Prime Minister Nakasone, further pledged to extend it control of the Japanese straits to block passage of Soviet ships and submarines and secure sea lines

of communication to several hundred miles. However, the defense budget of Japan is still limited to less than one percent of Japan's GNP and according to current Japanese policy, a direct threat against Japan or against U.S. naval vessels operating for the defense of Japan remains a prerequisite for Japan's joint naval operation, including the blocking of the Soya, Tsugaru, and Tsushima straits with U.S. forces.[87] Furthermore, the naval strength of Japan which includes 49 destroyers and frigates, 14 submarines, and170 land-based Anti-submarine warfare aircraft, and an Air Force, with only 290 combat aircraft, are not seen as adequate to meet the U.S. expectations regarding sea-lane defense.[88]

Another bone of contention that the United States has with Japan started in December 1967 when Prime Minister Sato announced that Japan will not "possess, manufacture, or introduce nuclear weapons into its territory". Though not legally binding, these principles have theoretically been adhered to under the eyes of anti-nuclear groups. This greatly complicates American security tactics in the area.

Under strong pressure by President Nixon, a joint Nixon-Sato communique in November 1969 included a clause that South Korea is essential to the security of Japan.[89] However, historical and cultural experiences between the two countries makes a close tie extremely difficult. Deep seeded animosities, tension, and suspicions between the two peoples are not likely to go away soon. The 1973 kidnapping of Korean dissident Kim Dae Jung from a Tokyo hotel room, the arrest of two Japanese youths in Seoul for inciting a riot, and the discovery that the murder of Mrs. Park in 1974 was the workings of a North Korean group from Tokyo, did little to alleviate

those tensions. Furthermore, there is a fear in both Japan and South Korea that any increase in their contribution to East Asian security will provide an excuse for the U.S. to cut its troop commitment to Northeast Asia.

However, progress has been made. In 1979, there was an official visit to Korea by the Director General of the Japanese Defense Agency which was the first official military contact between the two countries since the end of the Second World War. In Jauary 1983, Nakasone became the first Japanese Prime Minister to make an official to Korea. In September 1984, President Chun returned his visit in Tokyo. Plans are now in the making for a visit to Seoul by the Japanese Crown Prince Akihito. This trip, tentatively set for October 1986, will be the first official visit to Korea by a member of the Japanese royal family since 1945.

Though the introduction of Japanese ground forces in South Korea is nearly out of the question, Edward Olsen suggests other means in which Japan could work closer with the ROK for the greater security of the region. These include Japan giving operational air and naval support near Korea, technology transfers to the ROK, and more explicit treaty commitments to the U.S. for the sharing of intellegence, logistic, and planning data.[90]

It appears that it is also in the Japanese interest to also shore up its relations with its communist neighbors. As well as some minor economic agreements, North Korea and Japan have agreed to sign a pact on sport exchanges in the spring of 1986. Japan has already been invited to five international athletic competions in Pyangyang. In January 1986, Soviet Foreign Minister Shervardnadze visited Tokyo. This was the first trip of a Soviet Foreign Minister to Tokyo in over two decades.

4. UNITED STATES

The United States currently maintains one army division and two combat air wings in Korea, two-thirds of a marine division in Okinawa, two combat air wings in Japan, one combat air wing in the Philippines, two carriers, one battleship, eight submarines, and twenty-one surface combatants in the Western Pacific basin.[91]

United States forces in Korea include the 2d Infantry Division, the 38th Air Defense Artillery Brigade, the 4th Missile Command, a full air wing with components of the 8th Tactical Fighter Wing and the 51st Composite Tactical Wing, the 19th Support Brigade, and small engineer, transportation, and signal units. One battalion of the 2nd Infantry Division is stationed north of the Imjin River, close to the DMZ. The remainder is deployed south with division headquarters at Camp Casey, twenty miles to the rear of the ROK army positions, but still along the main invasion route from the DMZ to Seoul. The United States allegedly maintains approximately 650 nuclear warheads on the Korean peninsula, as well as, the nuclear capability of the U.S. Seventh Fleet.[92]

The U.S. has modernized its forces in Korea with the changeout of two squadrons of F-4s with F-16s, deployment of an A-10 close air support squadron, upgrade of gunships and intelligence collection capabilities, replacement of older model tanks with the M60A3, and deployment of the Multiple Launch Rocket System.

On several occassions, the United States has had to make a show of force following North Korean provocations. These provocations include the

capture of the USS Pueblo in January 1968 and the subsequent holding of its 82 crew members for eleven months, the shooting down of an American EC-121 in April 1969, the brutal axe murders of two American soldiers who were attempting to cut down a tree in the joint-security area in August 1976, and the firing of a surface-to-air missile at an American SR-71 reconnaissance plane flying over international waters in August 1981.

5. Democratic Peoples' Republic of Korea (DPRK)

North Korea remains the greatest threat to South Korea's security. This threat is evidenced in Kim Il Sung's procamation in 1962 of his four point military doctrine. This doctrine stressed: 1) cadrification or training each man to assume combat leadership should the occassion demand, 2) adapting modern military techniques to local geographical and topographical conditions, 3) raising a nation in arms in which " the entire people, holding a weapon in one hand and a sickle in the other, should reliably safeguard our socialist homeland" and 4) the need to prepare for a protracted struggle in terms of a program to "build up zones of military strategic importance, to develop munitions industry, and to create resources of necessary materials"[94] This threat is manifested in North Korea's massive military build-up.

North Korea has currently 838,000 active duty personnel in uniform which includes 750,000 soldiers, 35,000 sailors, and 53,000 Air Force personnel. In addition, it has 40,000 it its Air Force security reserve force, 40,000 naval reservists, and 500,000 army reservists which can supposedly

be mobilized within twelve hours. In addition, the DPRK's Workers-Farmers Red Guard boasts a militia of more than 3 million men and women. Some 700,000 young people make up the Youth Red Guard. In toto, over 5,000,000 men and women have some kind of Reserve or Militia commitment.[95]

In North Korea, each citizen is a potential soldier, readily mobilized. The people are socialized to believe that their utmost national task is to liberate South Korea and to regard their military service as an honor and a duty. Young people volunteer for the military because it is an expression of loyalty and ideological fitness and is a fundamental prerequisite for advancement in North Korean society.

North Koreas's defense expenditures in 1985 amounted to approximately twenty percent of its GNP. Its defense industries have been producing massive amounts of weapons systems including AK-47 rifles, mortars, rocket launchers, artillery, anti-aircraft weapons, personnel carriers, patrol craft, and submarines. They may also be producing tanks and combat jet aircraft. North Korea maintains along a 120 mile front three-quarters as many artillery pieces as the U.S. Army has deployed world-wide.[96]

Just as critical as the numerics of the North Korean military forces is how their forces are deployed as how that complicates the defense of the South Koreans. A March 1986 report by the South Korean Minister of Defense, Lee Ki-baek, stated that there has been a massive redeployment of North Korean ground forces within the last 15 months. The reports states that the front area now encompasses 65% of the DPRK ground forces, up twenty percent from the previous 15 months. The rear and central areas of North

Korea have shown a corresponding drop from 15% to 5% and 40% to 30% respectively.[97] This redeployment enhances the DPRK's ability to initiate a "blitzkrieg" operation deep into the ROK in which they hope to gain a decisive military advantage in five to seven days.

A report submitted in January 1979 by the Senate Armed Services Commitee identified the a build-up along the eastern and western coasts of North Korea south of the 39th parallel. These troops would either play an in-between role between a "forward defense" and a "defense-in-depth" strategy around Pyongyang, or may be for the purpose of opening up another front somewhere deep into the rear areas of the ROK. The latter would be accomplished with deployments by submarine, ship, or airlift. Though the second front idea was not viewed as a feasible plan as late as 1980, increased naval capability by the North Koreans make this a stronger possibility.[98]

Perhaps the greatest threat to South Korea is the nearly 100,000 men of the North Korean 8th Special Army Group, trained in special warfare techniques and comprising the largest commando force in the world. These men, with a large fleet of 280 AN-2 light aircraft and gliders flying under South Korean radar, provide a deadly suprise attack option. This attack, if soon reinforced by North Korean mobile attack forces, breaking across the DMZ, and by amphibious mechanized units landing on the banks of the Han River, could strike directly at the heart of the capital city, and paralyze the nerve center of South Korea's command.[99] This surprise attack option has recently been enhanced by the illicit acquistion in the spring of 1986 of 87 U.S.-built Hughes 500 helicopters, from a West German firm. These

helicopters, the same model as the ROK possesses, have been painted with South Korean markings to mutiply identification difficulties.

The North Koreans have also built 30 airfields south of Pyongyang. Two new bases being built near the truce area will give their Russian-built Mig-23's, of which they have 26 and projected to get ten more, a flight time of only eight minutes to Seoul. Furthermore, the recent transfer of Soviet Scud-B missiles to North Korea have the range to hit Seoul from Pyongyang. These aircraft, missiles, and the DPRK's stockpile of 180-250 metric tons of chemical weapons, including mustard gas and nerve, round out a very serious threat to the ROK.

U.S. analysts feel that North Korea could sustain an offensive posture for about 90 days without the need for outside assistance. A big fear, however, is Soviet or Chinese reinforcements which would greatly increase North Korean sustainability. North Korea has had defense treaties with both the PRC and the Soviet Union since 1961.

A warming of relations with the Soviet Union has been exemplified by visits to Moscow by Kim Il-Sung and his son, Kim Jong-il, in 1984 and February 1986 respectively.

6. Republic of Korea (ROK)

The weaponry, equipment, and organization of the ROK forces are oriented to a static defense. The South Korean posture is governed by a "forward-defense" strategy which attempts to halt a Korean advance before it reaches their capital city of Seoul. Seoul, unfortunately, is only 25 miles

south of the DMZ and can be shelled directly from the North Korea and attacked by air in a matter of minutes. This proximity of the South Korean capital to the DMZ makes its defense extremely difficult.

The South Koreans have focused their defense on two invasion routes leading to Seoul: the Chorwan Valley from the northeast (route used in the June 1950 invasion) and the Kaesong-Munsan approach from the northwest. The fire power that the South Koreans hope to stop the North Koreans with includes artillery and anti-tank weapons from ROK and U.S. ground forces and tactical air support from fighters and fighter-bombers based in South Korea, Japan, the Philippines, and with the Seventh Fleet. Massive air strikes from B-52 bombers based on Guam are also available. The South Koreans have established strongpoints along the invasion routes, mainly on mountain tops to create bottlenecks. The heaviest concentration of these strongpoints is a line two to five miles south of the DMZ.

The armed forces of the Republic of Korea, in themselves, are a powerful and well-organized fighting machine. The largest segment of the South Korean military is the South Korean army totalling 520,000. South Korea's First and Third Armies are combat ready, deployed primarily north of Seoul. The Second Army is primarily a training unit, deployed throughout South Korea but includes mostly rear divisions. The Air Force with 33,000 men on active duty, is equipped with 451 combat aircraft including U. S. built F-4 Phantoms, F-5 Tigers, and recently deployed F-16's. South Korea also has 23,000 sailors and 22,000 marines making a total of 598,000 active duty military personnel. In addition, there are 1,400,000 Army Regular Reservists, 7,000 Navy reservists, 60,000 marine reservists, 55,000 Air

Force reservists and 3,300,000 in the Homeland Reserve Defense Forces.[100] The Homeland Reserve Defense Forces is a para-military force established in 1968. It consists of mobilization reserve forces made up of veterans of active duty service and the general reserve force, a volunteer unit geared to local defense. Its mission is to reinforce the active duty forces when needed and provide a behind-the-lines defense for villages and offices.

Article 36 of the 1980 constitution says "All citizens shall have the duty of national defense in accordance with the provisions of law.[101] With this in mind, the law requires all males citizens between age 17 and 50, except those serving in other security organizations, to serve in the Civil Defense Corps, a parmilitary force organized in 1975. Civil Defense programs are to be used to cope with possible subversive activities by North Korean agents. Also in 1975, the Student Corps for National Defense was established. Under this program, about two million students, male and female, as well as teachers undergo paramilitary training. The age of conscription in South Korea was lowered in 1980 to age 19. Compulsory service with the Army and Marine Corps is thirty months. Service in the Navy and Air Force is for three years.

Appendix D, E. and F lists the naval, ground, and air forces of selected nations in the Pacific Basin.[102] Appendix G gives the approximate location as to where U.S. and Soviet forces are deployed.[103] With the U.S. Seventh Fleet, the U.S. and its Northeast Asian allies maintain a rough parity with the rapidly expanding Soviet military power in the region. However, if the trend continues, the Soviets will soon be able to control the events around the Sea of Japan should hostilities break out.

B. CURRENT STRATEGIC ISSUES

1. Security Assistance

One major policy issue that has been getting much attention in the United States is the sale of military arms and technology to the Republic of Korea. There has been mounting pressure in Congress to curb arms sales to South Korea to halt the escalating arms race between North and South Korea and to prevent a compromise of U.S. military technologies.

Historically, the United States has been a critical arms supplier to South Korea. The military aid to Korea immediately following the Second World War was an outgrowth of the Truman Doctrine, under which the United States provided economic and military assistance to any country faced with the threat of internal or external communist aggression. President Truman proclaimed,[104]

> "The concept of peace for the United States has becomeindistinquishable from the concept of peace in the world as a whole. American security and well-being are now dependent upon, and inextricably bound up with, the security and well-being of free peoples everywhere."

No direct military aid reached South Korea until after the Korean war started though, appropriations had been approved by Congress under the October 1949 Mutual Defense Assistance Program and a subsequent agreement between the two countries in January 1950.[105] Until the outbreak of the Korean War, U.S. military assistance had been comprised only of M-1 rifles , machine guns, small mortars, and M-3 105mm howitzers which the Americans left behind following an U.S. pull-out in 1948.[106] The inadequacy

of arms in the South Korean military , according to former Ambassador John J. Muccio, was due in large part to the fear in the United States that ROK President Syngman Rhee, if adequately armed, would initiate an attack on the North Koreans.[107]

Viewing the invasion ofSouth Korea by the DPRK on 25 June 1950 as expansionism of the Soviet Union and international communism, the United States began providing American combat forces as well as massive military aid through the Military Assistance Program (MAP). The Mutual Security Act of 1951 was evidence of a shift in American policy toward military arms and technology transfers. This act authorized increased amounts of military and economic assistance to South Korea and other "forward defense areas", embodying what is considered the U.S. "containment" policy. It was firmly believed that conventional aid and the threat of "massive retaliation" with nuclear weapons could prevent the situation in Korea from recurring in other parts of the world.

For compensation of a United States' pull-out following the Korean War, the U.S. began pouring considerable resources into the South Korean economy as well as in their military. Major weapon exports to South Korea grew steadily throughout the fifties and reached a peak between 1958 and 1960.[108] However, most of these arms exports were surplus, obsolete, and second-hand World War II equipment.[109] President Kennedy's change from a strategy of "massive retalliation" to a strategy of "flexible response" meant a renewed focus on conventional weaponry and a reappraisal of the United States military aid to its "forward defense areas". American aid began

concentrating on the training and equipping of indigenous forces to counter communist threats.

The Vietnam War was a watershed in the modernization of the ROK armed forces and the transfer of arms and military assistance to South Korea. As a quid pro quo for the deployment of two combat division from South Korea to South Vietnam, the United States significantly increased its military assistance to the ROK. In 1965, the United States provided eighty-five percent of the total joint ROK-US expenditures on defense. Large amounts of artillery, tanks, small arms, patrol crafts, and other miscellaneous equipment arrived from the United States. Nike- Hercules and Hawk air defense systems were provided in 1965 and 1966. F-5 Freedom Fighters began replacing the F-86's. In 1969, the United States provided anti-aircraft systems, fast patrol boats, radar, two helicopters, additional F-5A fighter aircraft, and a squadron (19) of F-4E Phantoms, to counter the recent acquisitions of MiG -21 fighters by North Korea.[110] In addition, the United States loaned South Korea two more destroyers in 1968 and 1969 which made a total of three. In response to a 1969 request by the ROK Defense Minister for two million rifles and small arms to equip the Homeland Defense Reserve Force (HRDF), the United States shipped 790,000 surplus weapons, including M-1s, M-1 and M-2 carbines, and M-3 SMGs with accompanying ammunition, and repair parts.[111]

Richard Nixon brought an end to the policy of "flexible response" when he proclaimed the Nixon Doctrine in 1969 with the following words:[112]

".....we shall furnish military and economic assistance when requested in accordance with our treaty commitments. But we shall look to the nation directly threatened to assume the primary responsibility of providing the manpower for its defense."

This policy led to the advocation in the United States of more arms transfers to our allies in order to meet the responsibility of defending themselves. This paved the way for the underwriting of a large part of the South Korean military modernization program. On 22 October 1970, Melvin Laird declared,[113]

"The U.S. Military Assistance Program and the U.S. Foreign Military Sales Program serve as key instruments in the implementation of the Nixon Doctrine."

In 1971, the ROK launched its 5-year Force Modernization Program. In support of this program, the United States sent in 1971, eighteen F-4D fighters, fifty M048 tanks, armored personnel carriers, heavy artillery, twelve Honest John surface-to-air missiles; a $95 million package under MAP. In addition, the ROK received fifty M-60 main battle tanks left behind by the U.S. 7th Infantry Division when the division was fully redeployed in 1971.[114]

By the completion of South Korea's 5-year Force Moderization Program, the U.S. had contributed $1.3 billion in military assistance. Table four displays a breakdown on this assistance.[115]

	MAP (1971-75)	FMS Cedit(1974-75)	Total
Aircraft	$235, 658	$19,300	$254,958
Ships	30,853	7,800	38,653
Vehicles/weapons	196,128	6,900	203,028
Ammunition	37,478	2,200	39,678
Missiles	10,090	40,300	50,390
Comm equipment	40,234	21,000	61,234
Misc equip	93,065	11,683	104, 748
Rehab and repair	16,148	6,500	22,648
Supply operations	90,187		90,187
Training	14,736		14,736
Other services	10,101		10,101
Total	774,678	115,683	890,361

U.S. Security Assistance to South Korea Under the FMP ($Thousands)

Table 4

In 1975, South Korea launched its Force Improvement Plan (FIP), a follow-up to its 5-year Force Modernization Program, and began increasing its amount of Foreign Military Sales (FMS) credits with the United States. By 1976, FMS credits totaled $260 million on FMS orders totalling $616 million.

Between 1975 and 1977, South Korea acquired or ordered through FMS credit, fifty-four F-5E and six F-5F fighter with ground equipment and ten spare engines, nineteen F-4E and eighteen F-4D aircraft Phantom fighters, 120 Harpoon ship-to-ship missiles with twelve launchers, twenty-four Rockwell OV-10 recce/night obervation aircraft, ten AH-1J helicopter gunships, three Improved Hawk battalions, forty Standard missiles, 1000 TOW missiles, and five mobile radar systems. Lance surface-to-surface missiles began replacing Honest John and Sergeant missile systems.[116]

Security assistance to South Korea continues to be of *vital* interest to the United States. It goal as stated in a congressional committee for security assistance report on 1 April 1986, [117]

> " the security assistance programs in South Korea are to improve air defense capability to counter North Korea Mig-23 procurement, to enhance the ability of South Korea to defend against low flying, high performance aircraft, to provide added armor capability to respond to increased mechanized threat, to promote standardization and inter-operability of U.S. andf South Korean forces, to increase Korean war reserve material stocks, and to enhance management capabilities of Korean forces."

Toward this end, the United States agreed to sell the ROK 30 F-16A's (plus 6 F16B's for trainers). Delivery of these weapon systems started in early 1986. Other recent arms transfers include Stinger and Redeye surface-to-air missiles as well as sophisticated radar for low-altitude detection.

Other security assistance has included recent Congressional approval to add $360 million of reserve stock to the allied stockpile in South Korea in 1986. The administration is also seeking an increase of Foreign Military Sales credits to South Korea for FY 87 to $230 million.[118]

Security Assistance to the Republic of Korea has been instrumental in perserving peace in the region since the Korean War and crucial to the development of the ROK military into a top-notch fighting machine. Appendix H summarizes this military assistance.[119] However, we cannot afford to stop here. Arms sales should be continued as they serve the United States' national interest in the following ways:

1. Stability in the Region

Security Assistance to the ROK counters the rapid development of the North Korean military and helps maintain stability in the region. Since the Korean conflict in 1950, there has been considerable concern by the United States that another such conflict could ignite. The United States would undoubtedly be drawn in and there is speculation that the Soviet Union and the PRC would also be drawn in. A confrontation between the nuclear powers must be avoided at all cost. A strong stable Korean military could prevent such a scenario.

2. Influence in the Region

The ROK has become a major economic and political influence in the region. A strong tie betwen the United States and South Korea is essential in order for the United States to affect that influence. The United States cannot depend on Japan alone, limited by its size, resources, and military capability, to affect the strategic and political affairs of Asia. The United States must look toward other nations as well. Arms transfers to South Korea provide an excellent opportunity for such a diversification.

3. Economic Benefits

Many defense industries in the United States would benefit tremendously from the profits derived from the arms sales. Employment at the defense plants would be maintained at higher levels with Korean markets available.

4. Foreign Policy Statement

Security assistance indicate a continuing improvement in the United States and ROK relations. It sends a signal to North Korea, the Soviet Union, and China, that South Korea is an ally and as such, the United States will not tolerate any aggression toward them.

5. Counter Soviet Expansionism.

The concerted effort of the Soviet Union to expand militarily in the Pacific basin must be countered. The modernization of the military forces in the ROK provides a means. Even the Soviets, recognizing the South Koreans as a military power, must tread softly in the region.

6. Domestic Political Considerations

The inability of the South Korean government to convince the populace that they are safe from a perceived threat from North Korea could cause considerable political instability in the country. This instability would jeopardize the interests of the United States.

7. Nuclear Threat

Strengthening the conventional forces of the ROK lessens the possibility of having to cross the nuclear threshold to ward off a North Korean attack, should deterrence fail. In addition, the danger of nuclear proliferation of the ROK is minimized.

8. Troop Strength

A strong Korean military makes it possible to lessen the costly U.S. military presence on the peninsula. Communist forces on the entire Korean peninsula would threaten vital strategic interests of the United States. It must be defended. As Claude Buss puts it talking about American aid packages, "In enabling the ROK to defend itself, the United States was saving the American taxpayer from defending the ROK"[120] The same idea holds for security assistance today.

Nevertheless, the United States must not approach arms transfers with a blind eye. Arms transfers to the Korean peninsula are critical but United States' security interests are not limited to the Korean peninsula or Northeast Asia. The United States must provide security assistance to a large number of countries and thus should not give beneficial loan rates in

favor of South Korea which decrease the revenue of the U.S. Federal Reserve Bank.

The tight grip on South Korean arms exports to third-world countries is currently one of biggest areas of conflict between the U.S. and the ROK. Let's examine why. The American disengagement policy under the Nixon Doctrine, subsequent troop withdrawal, and bold North Korean provocations, led the South Korean government to embark on the building up of its defense industry to achieve self-sufficiency in basic combat equipment. The ROK began an ambitious program to restructure its domestic industries in the direction of capital and technology intensive industries which have defense applications. Furthermore, the ROK provided a wide variety of incentives to defense contractors.

Highly successful under its Force Modernization Plan (1971-75) and two phases of the Force Improvement Plan (1976-86), the South Korean industrial sector has been able to produce a wide range of conventional weapons, aircraft, armored vehicles, missiles, and naval vessels. However, the defense industries in South Korea have fallen victim to their own success. The domestic markets for defense goods have been saturated and the utilization rate of defense industrial plants has fallen to 48 percent. Between 1980 and 1984, six defense contractors have gone bankrupt. Nine others capitulated in 1985. Exports of arms to third-world countries seems to be a viable solution for South Korean industries but problems are present.

Global recession, debt crisis, and the oil glut have driven all developing countries to take fiscal austerity measures which has taken a toll on the South Korean arms export market. However, by far, South Korean arms

exporters have been hurt most by the restraints the United States places on them. Most of the military hardware currently produced in the ROK results from the acquisition of defense services and technical data from the United States. The United States' Arms Export Control Act (AECA) and the International Traffic in Arms Regulations (ITAR) strictly restrain the sale of defense articles produced with United States' assistance, technical data, manufacturing licenses, or coproduction to third countries. ITAR specifically states that,[121]

> "The technical data or defense service exported from the United States in furtherance of this agreement and any defense articles which may be produced or manufactured from such technical data or defense service may not be transferred to a person in a third country except as specifically authorized in this agreement unless the prior written approval of State Department has been obtained."

This severely restricts ROK defense exporters. Written permission is a long tedious process which begins with a petition from the South Korean Ministry of Defense to the Joint Military Advisory Group (JUSMAG) who sends it to the American Embassy in Seoul who in turn passes it on the U.S. State Department and the Department of Defense. The State Department's Office of Security Assistance and Sales and Bureau of Political and Military Affairs become the key action offices on the request. However, the Office of Munitions Control, the Human Rights Bureau, the Korean desk in the State Department, the Defense Security Assistance Agency, International Security Affairs, the sales assistance divisions of the individual military services, and the Arms Control and Disarmament Agency all get a crack at it. With high dollar value request, the US Congress, the National Security Council, and the

Arms Export Control Board are also involved.[122] Currently, forty-two Korean defense articles require prior written approval prior to export.

Until lately, South Korea has been faithful in complying the U.S. regulations restricting their arms exports but pressures have been mounting within South Korea to cheat. South Korea has recently shown up on an Department of Defense Inspector General's report as one of the countries taking advantage of U.S. supplied technical information, intended for use in maintaining previously supplied equipment, to produce replicas for sale to third-world countries. The report states that the Korean Defense Procurement Agency's military catalog "advertises an array of military equipment" which "resembles U.S.-designed equipment" and even uses "U.S. Army model designations in their advertising literature" aimed at sales to nations that already use U.S. type equipment.[123]

Identical to U.S. products, increases in South Korea's third-world arms sales directly results in a decrease in U.S. arms exports. Therefore, the transfer of technologies and the permission to export arms manufactured with U.S. technologies must be tightly controlled. However, a proper balance must be found. Military exports are critically linked to the health of South Korea's national economy as the defense sector has become an integral part of the heavy, shipbuilding, metallic, and electronics industries. Failure in this sector could trigger a social and political trauma which in turn could undermine the transition to democracy in South Korea as well as their national security. Furthermore, continued underutilization of defense production facilites and the potential collaspe of defense contractors mean a

weakened defense industrial base. The maintenance of a optimal level of production during peacetime is vital to strategic preparedness in war. This is not to imply a leniency in permission granted to export, but between 1981 and 1982, the United States only approved three percent of South Korean requests for arms exports. In 1983, only eight percent and in 1984, 2.8 percent. This is in addition to a eight percent royalty fee imposed on all export items of U.S. origin. Less restraint would go far far in improving U.S.-Korean relation, stabilize the defense sector of the Korean economy, and remove some of the incentive for "bootlegging" American technologies.

2. Troop Withdrawal

The troop withdrawal issue is certainly one of the most sensitive issues in the U.S.-Korean security relationship. Most South Koreans identify the presence of the U.S. ground forces with the U.S. commitment to peace and security on the Korean peninsula. The South Koreans feel that the presence of U.S. ground forces are essential to overcome what they see as weaknesses in the Mutual Defense Treaty.

The Mutual Defense Treaty which was signed on October 1, 1953 and ratified November 18, 1954, states that the ROK and the United States accept the right to dispose U.S. land, air, and sea forces in and about the territory of the ROK as determined by mutual agreement. The South Koreans understand the U.S. has the right, not the obligation to dispose these forces. That's what scares them. The Mutual Defense Treaty does not guarantee a joint action against an armed attack. Article III of the treaty states that each country considers an external attack in the Pacific on territories under their

respective administrative control " would be dangerous to its own peace and safety" and declares that they would "act to meet the common danger in accordance with its constitutional processes."[124] The Koreans wanted the United States to commit to an automatic response in case of an attack, but the clause, "in accordance with its constitutional processes", was not changed. In addition, an "understanding" was included with the treaty that stated that the treaty was only applicable if an external armed attack was directed against the ROK. This was to ensure the American Congress that the treaty was not applicable if the ROK launched an invasion against the Democratic People's Republic of Korea (DPRK). What frightens the South Koreans is North Korea launching an indirect invasion and Americans, not agreeing on the nature of the attack, failing to support them. Therefore, they feel the presence of American ground forces deployed along the likely invasion routes, is the next best thing to guarantee a U.S. response. This "tripwire" of the American soldiers is considered the major deterrent against a DPRK invasion. What Hubert H. Humphrey said in 1966 is very much as applicable today, "As long as there is one American soldier on the line of the border, the demarcation line, the whole and entire power of the United States of America is commited to the security and defense of Korea"[125]

United States forces on the Korean peninsula serves United States national interest. They defend South Korea from North Korean aggression, strengthen the cause of freedom and democracy in Northeast Asia, counter Soviet expansionism, and maximizes U.S. influence in the region. Troop withdrawal would raise doubts about the extent of the U.S. commitment which would adversely affect U.S. security interests. Secretary of State

Kissinger's promise in 1976 that the United States "will not undermine stability and hopes for negotiation by withdrawing forces unilaterally."[126] should still be adhered to.

In the Spring of 1977, President Carter began plans, as he had promised in his Presidential campaign, to withdraw U.S. ground forces from South Korea. Policy Review Memoranda 13 contained various arguments for his troop withdrawal plan. On 5 May 1977, Carter initiated that plan via Presidential Decision 12 which would have removed the U.S. 2nd Infantry Division from Korea by 1982. The first 6,000 troops were to be withdrawn by the end of 1978 and the final 26,000 by the end of 1982. The reasons for Carter's plan included: 1) giving the U.S. more flexibility in a response to an invasion by the DPRK, 2) a desire to cut the defense budget, 3) a response to domestic pressure to reduce American military forces abroad, both in Europe and Asia, 4) to force the ROK to become truly independent and rid itself of dependence upon the U.S. for its defense, and 5) to punish South Korea for human rights violations that Carter felt were deplorable.

Major General John K. Singlaub, Chief of Staff, United States Forces Korea, felt it was a mistake to remove the American forces unilaterally without at least seeking some sort of concession form the DPRK. He felt that a withdrawal would invite a North Korean invasion and lead to war.[127]

President Carter's withdrawal plan sent a shock wave throughout the American allies in Asia who were never consulted about the plan and who felt this was another failure of the United States to live up to their commitments. The American Congress was not even forewarned of the plan.

In April 1978, President Carter, feeling the pressure from Congress and abroad, announced a change in his withdrawal schedule reducing the initial reduction from 6,000 to 2,600 troops. Only one combat battalion would be removed instead of the entire brigade. An intelligence reassessment of ROK and DPRK capabilities began in the summer of 1978 by the Defense Intelligence Agency and the House Select Committee on Intelligence and ended in 1979. Their report placed the entire withdrawal plan in jeopardy. It concluded that the DPRK had achieved a numerical superiority on the ground as well as in the air. It revealed that DPRK divisions had increased from a projected 29 in 1977 to 37 in 1979 and the number of tanks and armored personnel carriers had grown 35% and 20% respectively. On 20 July 1979, Carter announced that his withdrawal plan was being held in "abeyance".

The Reagan administration reaffirmed a U.S. comittment to the Korean peninsula. The administration's first major state visitor to the White House was President Chun. A joint-communique issued following this meeting made it clear that the U.S. believed South Korea's security was crucial to peace in Northeast Asia and even to the security of the United States itself.

It is in the national interest of the United States to maintain ground forces on the Korean peninsula for the following reasons:

1. The presence of U.S. military ground forces, particularly with one battalion positioned in a very vulnerable position north of Seoul near the DMZ, would without a doubt involve the U.S. in a conflict. Kim Il-Sung recognizes this "tripwire" and thus it serves as an unequivocal deterrent to North Korean aggression.

2. The presence of U.S. ground forces exerts an enormous psychological impact on the South Koreans. They recognize the importance of the U.S. military. They recognize that the U.S.-Korean Mutual Defense

Treaty does not bind the United States to commit military forces in their behalf. Therefore, actual troop presence plays a considerable role in alleviating much of the fear that surround them. As Claude Buss points out, "In the Korean view, one soldier is worth twenty speeches, and the physical presence of American troops comforts and strengthens South Korea."[128] As a result, the quality of life in South Korea is better.

3. The United States needs to recognize the limitations of the Korean economy. It still has many structural weaknesses and is not yet firmly established. In addition, the ROK already spends 6-7% of its GNP for defense. Massive increases in military spending to offset the U.S. withdrawal could do great harm to South Korean economic stability. Economic instablity brews political and social discontent. Political dissention in Korea, as we have seen in its recent past, often brings chaos; possibly the opportunity Kim Il-Sung is waiting for.

4. United States troops are essential to prevent a predominant influence of the Soviet Union in the Pacific Basin. If the entire Korean peninsula would come under Soviet influence in a victory by Kim Il-Sung, the Soviet Union could use Pusan, Chinhae, and Cheju Island as naval bases and many of South Korean airfields for its land-based aircraft. The Korean Strait could no longer be used to bottle up the Russian fleet in the Sea of Japan. Japan itself would be threatened.

There is no alternative to the presence of U.S. ground forces in Korea until South Korea is capable of sustaining deterrence and self-defense on its own which has been estimated by the South Korean Defense Minister to be in the early 1990's. At that time, U.S. troops could be pulled out without disrupting the stability of the area. Should the ROK request a withdrawal at that time and the U.S. feels the international milieu warrants, the U.S. Second Division should be withdrawn leaving enough personnel to maintain logistics lines should a reintroduction of U.S. ground forces be necessary. U.S. air and

naval forces should remain for a time following the withdrawal of ground forces to insure continued stability. Their withdrawal would depend on a reevaluation of United States interests in the region.

United States strategic interests in the Republic of Korea are reaching a critical juncture. U.S. military intelligence analysts suggest that the next two or three years will be one of the most dangerous on the peninsula as the DPRK may want to make a hostile move toward the south before their weapons become obsolete and before South Korean forces can reach parity with their own. Some experts feel that a disruption of the Asian or Olympic games with terrorist activities against a major public or sports facility, could create the conditions favorable for such an an action.

VI. CONCLUSION

The United States national interests around the globe are to protect its territory from its enemies, to promote a world order in its favor, to secure economic prosperity by promoting trade, and to maintain Free World democratic values and ideology. United States national interests in the Republic of Korea have a varying importance, ranging from vital to peripheral, calulated upon its contribution to these interests as the international milieu changes.

Peace and stability on the Korean peninsula are of *vital* importance to the maintenance of these interests as the security interests of three nuclear nations and Japan meet there. A regional conflict there could ignite an outbreak between superpowers and escalate into a nuclear confrontation. The primary threat to this peace and stability is the fanatical regime of Kim Il-Sung. The U.S. must do what it must to prevent war between these two nations and if that fails to insure that the victory goes to our ally, the ROK. As Claude Buss puts it, "the geographical location of Korea makes it far too vital to be in the hands of an unsympathetic power.[130] The best means for this is for the U.S. to maintain troop presence on the peninsula until the ROK military has reach parity with the DPRK. This has been estimated at around 1990. Second, the United States must continue to offer security assistance to the ROK in the form of Foreign Military Credit Sales. Additional close air support aircraft such as the A-10 would bolster ROK anti-tank defenses.

Third, peace and stability can be further promoted by the continued emphasis of "burden" sharing and military cooperation by our Asian allies. To facilitate this, the U.S. must convince our allies that their increased "burden" would in no way lessen the responsibility or the commitment of the United States in the region. An integration of South Korean and Japanese military forces could afford protection of the sea approaches to Japan from Soviet submarine and air attacks. Korea could be responsible for closing the western half of the Tsushima strait (Korean Strait to the Koreans) which is approximately 100 miles wide. ROK Air Forces in southern Korea could be responsible for covering the sea lanes against Soviet Backfire attacks. These missions must however not detract from the primary mission of defending against the North Korean threat. Fourth, confidence building measures between Seoul and Pyangyang must be pursued.

The maintenance of a strong Korean economy is a *major* U.S. interest as it is closely tied with Korean national security. Economic chaos would certainly destabilize the government which could in turn encourage adventurism from the North Korean regime. American business and trade interests in South Korea are U.S. national interests for the continued well-being of the American people. These interests are growing and they may become as *vital* as those of Japan by the turn of the century.

The United States has a *major* interest in North-South dialogue. The success of talks depends on a well coordinated strategy toward North Korea. Every effort must be made by South Korea and its allies to institute *detente* between the North and South. Economic, parlimentary, and Red Cross talks, must be encouraged as contact and cooperation would be instrumental in

easing tensions in the region. However, the United States must maintain the position that it will not deal directly with North Korea except with the full and equal participation of the the South Korean government.

The United States has a *peripheral* interest in a constitutional reform favoring a direct election of their president and support of human rights in the ROK. Our own values necessitate that we press for democratic reforms in all countries around the globe but certainly not to the extent that we would jeopardize our relationship with the ROK government which would in turn jeopardize our vital national interest in the area.

Perhaps the best way to present U.S. national interests in the framework presented in chapter one would be in the following table:

	SURVIVAL	VITAL	MAJOR	PERIPHERAL
STRATEGIC INTERESTS				
Security Assistance		X		
Troop Presence		X		
ECONOMIC INTERESTS				
Stability of Korean Economy		X		
American Business and Trade			X	
POLITICAL INTERESTS				
Constitutional Amendment				X
North-South Dialogue			X	
Human Rights				X

UNITED STATES NATIONAL INTEREST IN THE REPUBLIC OF KOREA

Table 5

The United States must keep in mind that in the pursuance if interests, there will be tensions among nations, friend and foe alike. A tacit understanding of the other's society is critical in alleviating those tensions for the mutual benefit of all concerned.

UNITED STATES TRADE IN THE PACIFIC BASIN

EXPORTS

	1982	1983	1984	% change 1983-1984
Japan	20,966	21,894	23,575	+7.7%
E. Asian NIC's*	15,563	16,914	17,722	+4.8%
PRC	2,912	2,173	3,004	+38.2%

IMPORTS

	1982	1983	1984	% change 1983-1984
Japan	39,932	43,559	60,373	+38.6%
E. Asian NIC's*	23,768	29,560	39,135	+32.4%
PRC	2,502	2,476	3,381	+36.6%

*Taiwan, Hong Kong, Sinapore, and South Korea

Source: U.S. Department of Commerce, Bureau of the Census

APPENDIX A

U.S. Merchandise Trade with Japan, 1980-1984 '
(Domestic and foreign exports, f.a.s.; General imports, c.i.f.)
(Millions of dollars)

	Exports 2/					Imports			
			Manufactured Products				Manufactured Products		
	Total	Agricultural Products	Total	High Tech	Automotive	Total	Total	High Tech	Automotive
1980....	20,790	6,117	8,871	4,029	208	32,961	32,192	7,748	12,411
1981....	21,823	6,570	9,992	4,815	189	39,904	39,188	10,616	13,976
1982....	20,966	5,551	9,912	4,763	198	39,932	39,225	11,127	14,222
1983....	21,894	6,246	10,716	5,581	206	43,559	42,680	14,276	16,357
1984....	23,575	6,762	11,917	6,112	247	60,372	59,300	21,935	20,213
1983:1..	4,751	1,362	2,234	1,102	43	9,842	9,632	2,979	3,819
2..	5,204	1,398	2,568	1,414	49	10,390	10,173	3,362	4,045
3..	5,513	1,520	2,588	1,367	50	10,748	10,529	3,596	3,873
4..	6,133	1,966	3,032	1,698	64	12,579	12,347	4,339	4,621
1984 1..	5,645	1,767	2,737	1,370	62	13,742	13,477	4,899	4,625
2..	5,806	1,703	2,867	1,535	59	14,837	14,580	5,260	5,266
3..	5,769	1,480	2,872	1,533	60	17,199	16,918	6,404	5,553
4..	5,953	1,812	3,039	1,673	65	14,593	14,325	5,372	4,769

1/ Manufactured goods include SITC 5-8 and special category exports in SITC 9.
2/ Includes military grant aid shipments. Special category exports are included only in annual data

Source: U.S. Department Commerce, Bureau of the Census.

U.S. Merchandise Trade with East Asian NICs, 1980-1984 '
(Domestic and foreign exports, f.a.s.; General imports, c.i.f.)
(Millions of dollars)

	Exports 2/				Imports			
			Manufactured Products			Manufactured Products		
	Total	Agricultural Products	Total	High Tech	Total	Total	High Tech	Textiles, Apparel
1980....	14,741	3,468	9,834	4,494	18,805	17,774	4,648	4,832
1981....	15,059	3,738	9,678	4,285	22,058	20,962	5,435	5,618
1982....	15,563	3,289	10,448	4,481	23,768	22,668	5,813	5,986
1983....	16,914	3,664	11,125	5,659	29,560	28,309	8,119	6,992
1984....	17,722	3,672	11,807	6,337	39,135	37,648	11,107	9,274
1983:1..	3,744	804	2,370	1,224	6,228	5,935	1,589	1,552
2..	4,418	950	2,883	1,628	6,842	6,472	1,859	1,675
3..	3,914	856	2,582	1,334	8,130	7,826	2,124	2,037
4..	4,283	1,055	2,736	1,473	8,360	8,076	2,548	1,728
1984:1..	4,043	1,001	2,598	1,385	9,071	8,690	2,589	2,160
2..	4,486	917	2,952	1,593	9,292	8,895	2,655	2,084
3..	4,260	824	2,808	1,489	11,531	11,139	3,136	2,918
4..	4,565	929	3,081	1,870	9,241	8,924	2,727	2,112

1/ Manufactured goods include SITC 5-8 and special category exports in SITC 9.
2/ Includes military grant aid shipments. Special category exports are included only in annual data

Source: U.S. Department of Commerce, Bureau of the Census.

APPENDIX B

KOREAN TRADE WITH THE UNITED STATES

	Total Exports	Exports to U.S. Amounts	Exports to U.S. % Share	Total Imports	Imports from U.S. Amounts	Imports from U.S. % Share
1961	40.9	6.9	16.3	316.1	143.3	45.4
1962	54.8	12.0	21.9	421.7	220.3	52.2
1963	86.8	24.3	28.0	560.3	284.1	50.7
1964	119.1	36.6	30.7	404.4	202.1	50.0
1965	175.1	61.7	35.2	46.4	182.3	39.3
1966	250.3	95.8	38.3	716.4	253.7	35.4
1967	320.2	137.4	42.9	996.2	305.2	30.6
1968	455.4	237.0	52.0	1462.9	449.0	30.7
1969	622.5	315.7	50.7	1823.6	530.2	29.1
1970	835.2	395.2	47.3	1984.0	584.8	29.5
1971	1067.6	531.8	49.8	2394.3	678.3	28.3
1972	1624.1	759.0	46.7	2522.0	647.2	25.7
1973	3225.0	1021.2	31.7	4240.3	1201.9	28.3
1974	4460.4	1492.1	33.5	6851.8	1700.8	24.8
1975	5081.0	1536.3	30.2	7274.4	1881.1	25.9
1976	7715.3	2492.5	32.2	8773.6	1962.9	22.4
1977	10,046.5	3118.6	31.0	10,810.5	2447.4	22.6
1978	12,710.6	4058.3	31.9	14,971.9	3043.0	20.3
1979	15,051.5	4348.1	28.9	20,296.1	4189.4	22.6
1980	17,483.3	4427.7	26.3	22,282.2	4421.2	20.6
1981	21,249.7	5469.5	26.6	26,028.3	5008.2	19.2
1982	21853.9	6002.9	27.5	24,250.8	5332.6	22.0
1983	24,445.0	7649.2	31.3	26,192.0	5709.6	21.8
1984	29,150.0	N/A	N/A	26,200.0	N/A	N/A
1985	30,200.0	10721	35.5	N/A	6500.0	N/A

Sources: KIEI Special Report No.41, March 1981.
1983 International Trade Statistics Yearbook
Korea Herald, 2 Feb 1986

APPENDIX C

NAVAL FORCES

	SUBMARINES			A/C CARRIERS	CRUISERS		DESTROYERS		FRIGATES			CORVETTES
	SSB	SSG	SS		CG	CL	DD	DDG	FF	FFG	FFL	
AUSTRALIA			6					3	6	4		
DPRK			19						2			
JAPAN			14				31		18			
PHIL									7			10
PRC	3		107					19	30			
ROC			2				26		10			4
ROK			1				11		6			4
USA	2		40	6	11		16	15	28	16		
USSR	31	24	72	2	11	4	8	10	49	11		
VIETNAM									7			2

APPENDIX D

NAVAL FORCES

	FAST ATTACK CRAFTS M	T	G	PATROL CRAFT LG	COASTAL	LANDING CRAFTS SHIPS	CRAFTS	PERSONNEL
AUSTRALIA				24	1	1	6	16,025
DPRK	30	146	155	32	30		113	35,000
JAPAN		5		2	9	8	37	44,000
PHIL				13	73	31	72	28,000
PRC	232	182	343	21	161	52	530	350,000
ROC	53				28	28	430	38,000
ROK	11			2	62	16	20	23,000
USA (7TH FLT)							32	259,000
USSR (FAR EAST)	40				140	25		134,000
VIETNAM		16	8	25	17		19	12,000

SOURCES: Jane's Fighting Ships 1985-86
The Military Balance 1985-86.

APPENDIX D (CON'T)

GROUND FORCES

	MECH INF DIV (MOT RFL)	INF DIV	ARM DIV	FLD ARTY DIV	ARM/INF BDGE	TANKS	ARTIL	PERSONNEL
AUSTRALIA	2 (CAV REGTS)	1	1 (REGT)	4 (REGTS)		103	265	50,000
DPRK	5	24	2		16	3,425	6,704	750,000
JAPAN		12	1	1 (BDE)	2	1,070	86	155,000
PHIL		5		4 (REGTS)		28	212	70,000
PRC		118	13	17		11,450	12,800	2,973,000
ROC	6(BDES)	18	4 (GPS)	20 (BNS)		1.429	2,100	290,000
ROK	2	19				1,240	3,012	520,000
USA (PACAF)		2				N/A	N/A	126,000
USSR (FAR EAST)	45		7	4		14,900	15,200	620,000
VIETNAM		65	1	5	10 (ARM REGTS)	2.000	690	1,000,000

SOURCE: The Military Balance 1985-86

APPENDIX E

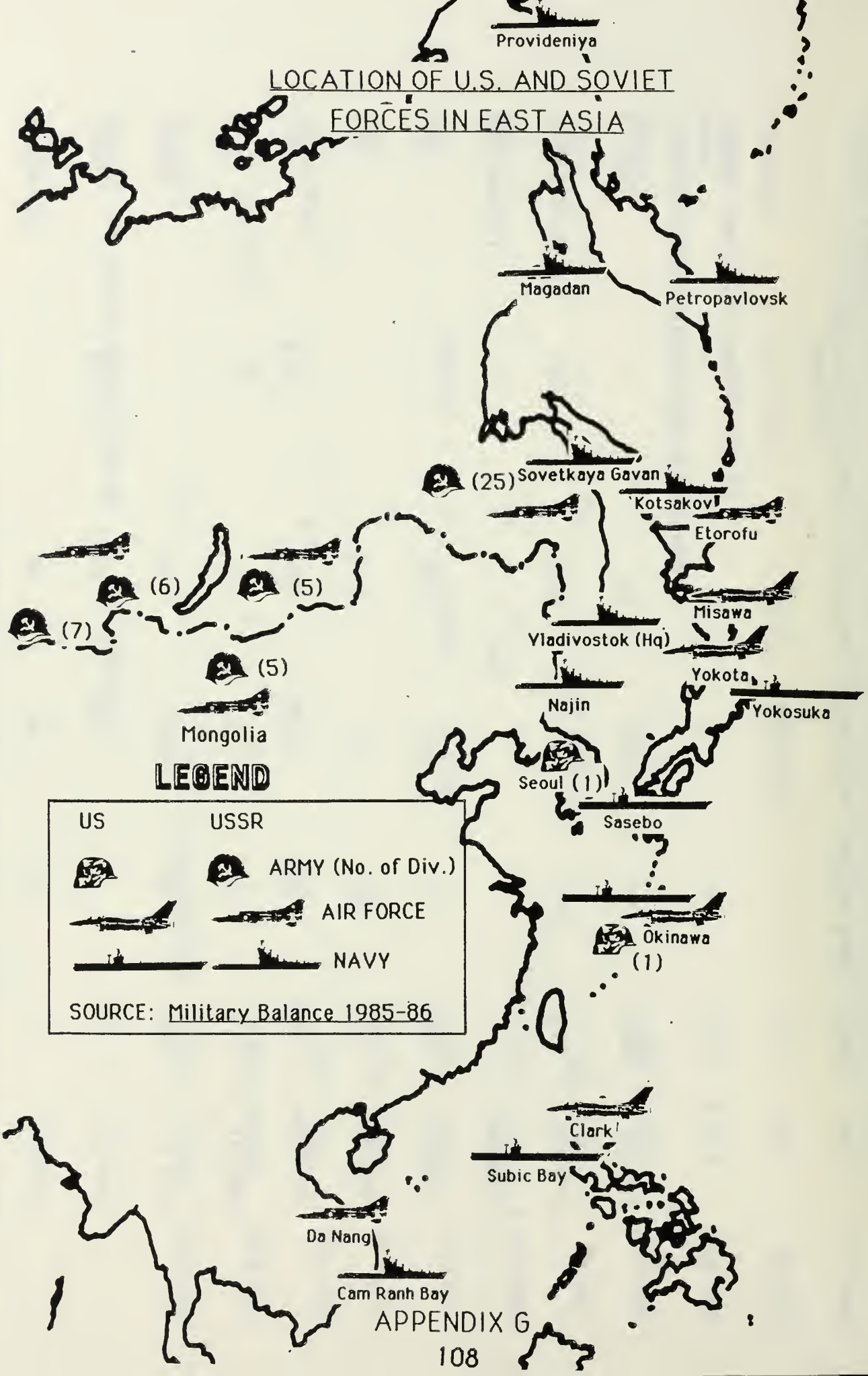
AIR FORCES

	BOMBERS	CAS FIGHTERS	FIGHTERS	TRANSPORT	HELECOPTERS	PERSONNEL
AUSTRALIA		28	58	56	12	22,667
DPRK	80 (LT)	400	220	362	170	53,000
JAPAN		50	206	34	390	44,000
PHIL		22	22	44	11	16,800
PRC	620	500	4000	550	400	490,000
ROC		378	19	81	156	77,000
ROK		364	65	34	286	33,000
USA (PACAF)	12		990			45,000
USSR (FAR EAST)	150	540	750	100+	500	150,000
VIETNAM		70	200	135	200	15,000

*INCLUDES HELICOPTERS FROM ALL SERVICES

SOURCE: The Military Balance 1985-86

APPENDIX F


Provideniya
LOCATION OF U.S. AND SOVIET
FORCES IN EAST ASIA
Magadan
Petropavlovsk
(25)
Sovetkaya Gavan
Kotsakovi
Etorofu
(6)
(5)
(7)
Misawa
Vladivostok (Hq)
Yokota
(5)
Najin
Yokosuka
Mongolia
LEGEND
US
USSR
ARMY (No. of Div.)
AIR FORCE
NAVY
SOURCE: Military Balance 1985-86
Seoul (1)
Sasebo
Okinawa
(1)
Clark
Subic Bay
Da Nang
Cam Ranh Bay

SECURITY ASSISTANCE TO THE REPUBLIC OF KOREA

TYPE	1950-75	76	77	78	79	80	81	82	83	84	85	1950-85
MAP	5049.9	57.4	1.0	.5	11	121.9	99.6	130.2	*	*	-	5471.6
IMET	149.7	2.1	1.2	1.1	1.8	1.1	1.2	1.5	1.6	1.7	1.8	165.1
EDA	662.7	1.1	-	-	-	-	-	-	-	-	-	663.9
FMS (Credit)	171.9	260.1	152.4	275	225	129	161.5	166	185	230	230	2185.9
FMS (Orders)	286.9	591.3	554.3	327.7	228.9	335.5	285.2	1058.5	369.7	191.5	262.7	4492.2

Totals may not add due to rounding

Legend

MAP: Military Assistance Program
IMET: International Military Education and Training
EDA: Excess Defense Articles
FMS: Foreign Military Sales

SOURCE: Foreign Military Sales and Military Assistance Facts

* Nominal

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